

# Maclean's

CANADA'S

WEEKLY NEWSMAGAZINE

OCTOBER 7, 1996

**SPECIAL  
REPORT**



**The pressure  
on Paul Martin  
to create  
JOBS**

**The cost of  
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# Maclean's This Week

CANADA'S  
WEEKLY  
NEWSMAGAZINE

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Canadian artist Peterson Ewert uses nature and chance to transform hardware-store finds into wordless works of art.



# From The Editor

## The politics of the high wire

**B**rian Tobin is one of those rare politicians who has a flair for the dramatic gesture that crystallizes in most The Newfoundland premier is one of the best at launching bold action in pursuit of his objectives. He does not always get his way, but he certainly gets the attention he demands. In that respect, Tobin follows in the wake of premiers Peter Lougheed and Robert Bonniot, as soft touch as when push came to shove in the 1970s and early '80s. The Alberta premier "burned all the tags" and created a national air crisis in demanding a better deal on energy from Pierre Trudeau's federal government in 1980. For his part, the Quebec premier said no to the Victoria Charter in 1971, ushering in two more decades of constitutional wangling. Tobin is cast in the same mould—ever ready to create an issue with an abrupt threat or a bold declaration.

A prime example is his current foray against Quebec, aimed at changing the terms of a bad 27-year-old hydroelectric deal with his province (page 88). So far, the politics of the high wire have failed miserably, but Tobin is not done yet. The federal fisheries minister, who successfully prosecuted the turbot war against the Spanish fleet in 1996, is now staging on the road to make his case in Quebec and other provinces that the terms of the deal between Newfoundland and Quebec need to be changed. The snag is Tobin's ploy is his angle to throw to pull the plug on electricity flowing to Quebec from the Churchill Falls development.

Practically, Tobin's gambit was routinely rejected in Quebec. His timing could not have been worse. A week after he launched his campaign, the federal government announced that it will ask the Supreme Court of Canada to rule on the tricky question of whether Quebec has the right to unilaterally declare independence—which also stirred the ire of Quebec's political elite. In Ottawa, the Prime



Minister's agents were adamant that Tobin had not consulted them on his tactics and the Prime Minister was quick to say that the matter was one to be settled between Newfoundland and Quebec.

It is difficult not to sympathize with the Newfoundlanders. The deal that former premier Joey Smallwood signed in 1968 with the Liberal National government of Jean Jacques

Bertrand provided a low price that was guaranteed for 65 years—and all of that without any escape clause at the knowledge that, subsequently, power prices would soar. The result is that Quebec's annual profits on Churchill Falls—currently at least \$500 million—equals the take for Newfoundland.

Still, the Supreme Court of Canada has twice rejected Newfoundland's bid to overturn the deal—one a unanimous judgment that upheld earlier rulings on the issue by the senior courts in Newfoundland and Quebec. And at the time of the signing, Smallwood required the agreement as a triumph of his political career. As it turned out, it was one of the major issues that Smallwood gave up the farm to outsiders to satisfy his ambitions. It is a legacy that has placed Brian Tobin, captain of the turbot war, at the bottom of the falls, trying to paddle upstream.

In an interview with *Maclean's* last week, Finance Minister Paul Martin made it clear that he is sympathetic with advice that he author his economic policies. As he put it: "If all the weak nations in the God damn world, half of which are on Bay Street, change their minds every time the weather changes, they can basically go fly a lot." The interview is on page 16.

*Robert Lewis*

## Newsroom Notes:

### The Bonetton ad

The Editorial department has received several hundred letters protesting the publication of a Bonetton ad. Typically, readers used words like "shocking, disgusting and crude" in characterizing the scene

of one horse mauling another. The mail has been referred to Publisher Bruce Segal's office, the Editorial department not being involved in the assistance and placement of advertising. Segal issued the following statement to readers: "We received complaints from our readers concerning the United Colors of Bonetton advertisement that appeared in the Sept. 23 issue. It was not our intention to upset our readers and we sincerely regret any offence that may have resulted."

### Next week

The next edition of *Maclean's*, coinciding with the resumption of fall sessions on Parliament Hill, will look at the power brokers, the men and women who make things happen in Ottawa. In addition to the top-10 list, the special report also will examine the most influential people in the Prime Minister's inner circle, the CEOs with the most clout and the wheeler-dealers from across the country who wield special influence.



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## THE MAIL

Bishop's remarks, as you so eloquently put it, an "alcohol-driven party-busy froth work," and indeed the delusory in its generally unlimited. Thus, as an alumnus, I resent your accusation that Bishop's was "once serious" for its reckless sciences. I believe that I speak for many alumni and students when I say that we are proud that Bishop's has been, and will continue to be, Canada's house of nervous revelry.

Mohamed Thameer  
Calgary, AB

## 'Bratty behavior'

I, like many other Ontario fans, are getting angry led by John Gallagher's accusing, bratty behavior ("Not exactly an Ontario fan," People, Sept. 23). I think that Ontario should give Lano an ultimatum: either quit his childish behavior or he's out of the band.

Steve Siquah,  
Toronto

## Titanic facts

Thank you for the article on the Titanic ("That sinking feeling," Canada, Sept. 30). I wish to point out two errors, however. First, the article RMS aimed for Royal Mail Steamer, not Royal Mail Ship. Second, the picture used shows smoke from all four funnels. This is incorrect, as only the first three were used for this purpose. The fourth was a dummy stack used for ventilation purposes.

Mark Christensen,  
South St. Mary, Ont.

## A dangerous drink

We consider your article "Moonshine revival" (Canada, Sept. 3) to be irresponsible journalism. The dangers of backyard distilling are real and have been downplayed to make the process and results seem like something a home cook could do. Not only is it a health problem, but the alcohol is often produced at the incorrect temperature, can be lethal. You failed to point out that blindness, kidney failure and death are often the consequence of drinking the so-called moonshine efforts.

Patricia and Leah Henry,  
Madison, N.J.

## LETTERS TO THE EDITOR

should be addressed to:

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# Healthy Bites

## Saturated or Unsaturated? Correcting a Flawed Message

The notion that vegetable fat is 100% unsaturated ("good") fat and that animal fat is 100% saturated ("bad") fat is inaccurate. All fats, from

both animal and vegetable sources, are comprised of saturated and unsaturated fatty acids. For example, dairy fat is 40% unsaturated. Not only that, many saturated fatty acids don't raise blood cholesterol. In fact, as much as 59% of the fatty acids in dairy fat has either no effect on blood cholesterol level or tends to lower it.

## For the Love of Cheese

News for the Lactose Intolerant

More and more studies show that lactose intolerant individuals do not have to eliminate milk products, especially cheese, from their diet. According to a March 1996 study published in the Journal of the American Dietetic Association, the amount of lactose contained in a 1/2 cup of milk is well tolerated by virtually anybody. When consumed with other foods, the amount can go up to a cup. With cheese, (cheese has much less lactose than milk) it means a lactose intolerant individual could even eat 1.2 kilos of cheddar, almost 2 cups of grated Parmesan or 480 g (1 pound) of Cheddar at one sitting.

## That Confusing Hunger



Symptoms of hunger in children can easily be mistaken for something else.

It's a sad fact, but child hunger is a growing problem across the country and its symptoms can be misleading. If you work with children, it may be helpful to be aware that hungry children are:

- 3 times more likely to have problems concentrating
- 2 times more likely to have frequent headaches, frequent colds and ear infections
- 4 times more likely to suffer from fatigue
- 12 times more likely to report dizziness

## The Dangers of Sharing



Taking a bite from a friend's apple, sipping someone else's soft drink, finishing a co-worker's sandwich. Sound pretty harmless? Think again. Some nasty diseases, like hepatitis A, can be passed on this way. The best advice is to be cautious, and when sharing food, divide portions clearly, before anyone digs in.

From the Dairy Bureau of Canada

## Milk Pro-teen





## EDITORIAL UPDATE

## Maclean's Backpack

Backpack is a monthly report on personal health, life and leisure. It explores the latest in sports, fitness, travel and adventure. Maclean's Backpack also features individual sections including Healthwatch, Technology, and Calendar - listing the upcoming events and festivals across the nation. Start new trails with Maclean's Backpack.

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Column



# Barbara Amiel

## Criticism of Israel is pure hypocrisy

JERUSALEM—Friday, Sept. 27. I got up at dawn to go and see the sunset over the Western Wall that, supposedly, is the spark for all the riots now taking place in Israel and the Palestinian territories. It was too late. The tunnel was closed last night for the Sukkot holidays. Clumps of Israeli soldiers stood at road intersections watching the occasional black-frocked Orthodox Jew drag home branches in order to build the little groves in which the holiday of Sukkot is celebrated.

Jerusalem is in shock. The streets reflect little of the violence the world sees on its TV screens except there are more soldiers and barriers in every area like the Old City's Damascus Gate. But the people here are just on the edge of trauma. The bloodshed last week under the Rabin-Perez government when the suicide bus bombings killed Tel Aviv and Jerusalem officials towards a nervous breakdown has returned. Now, I could hear early morning Israeli radio announcing the names and places of the families of young Israeli soldiers, all to be buried within the day, before Sukkot's start.

By noon, I was standing above the Temple Mount looking across at the Al Aqsa mosque where Friday morning prayers were being held. I could see the Israeli police and special forces massed in readiness for the riots that Palestinian radio and TV had been calling for, showing pictures of Prime Minister Benjamin Netanyahu with a gaping hole in his chest, a bullet wound around it and the caption "Blame us your work." The CNN cameras were placed on the other side of the Temple Mount, focused on the Arabs.

The Muslim prayers ended at 12:07 p.m. just as the first stones went high into the air. They curved gracefully, then parabolic, went crashing their lethal intent. For eight minutes, they rained down until, finally, the sharp sound of rubber bullets began and then the rattled explosion of tear gas. I stood watching the Israeli soldiers flee to the mosque area as the stretch-bearers carrying their wounded soldiers fled out.

For the last decade or so, the PLO and its leader, Yasser Arafat, have managed to create a climate of world opinion that enabled them to get whatever they couldn't get at the negotiating table by the simple expedient of going berserk, running amok and blowing the Israelis. If you don't support us, we're the constant Jewish victims, you get these awful terrorists, you get WAK! Now, the entire Arab world is using this method. Once more, we see that the Arab-Israeli question has never been whether Israel will give land for peace, but whether Israel can ever get peace and personal security for land.

Last Monday, Arafat gave a blood-curdling speech at a memorial ceremony for a PLO officer who died 10 years ago. At this ceremony, he included verses from the Koran that glorified, "We will fight for the cause of Allah and kill and be killed." This is a slogan used by the anarchists. He concluded it with the vow, "We will continue

on the Alia Jihad path to Jerusalem. Our blood is cheap currency for the cause for which we fight." This call to arms dovetailed with the violent cry, "The wall stands, a code phrase conveying the intent to liberate Jerusalem from the snafels Jews. Today, the world is blaming Israeli "hardliners" for the "bushkawa" of the peace process. One couldn't ask what they would say if precisely the same sentiments had been voiced by Mr Netanyahu about the liberation of Jerusalem from the Arabs.

Arafat's speech was the catalyst for the riots. The opening of a dam at the top of the mountain Tunnel was the cause back. The next, as they say, in TV After Netanyahu's news conference on Friday explaining his government's policy, CNN put on three commentators two were possibly the most left-wing English-speaking journalists in Jerusalem and the other the ever-present Hanan Ashrawi, a minister with the Palestinian council.

The Husseinian Tunnel retraces the path of an ancient road and shortens the western entrance wall of the Temple Mount. The tunnel, which is 250-m from the ancient mosque, has posed no danger to any holy place. In January, then-Prime Minister Shimon Peres secured some sort of understanding that the tunnel could be opened as a quiet pro quo for the use by Muslims of the area under the Dome of the Rock called the Stables of Solomon. This large cave now doubles as a mosque. In fact, the Muslims have simply started pouring concrete there to turn it into a permanent structure. The Israelis have overlooked this contravention of the agreement and managed to refrain from this and accusations of danger to Jewish holy places.

The Oslo agreement got a lot of things far Arafat, including, astonishingly, putting Jerusalem under grabs during the final status negotiations. But even that was not enough. Arafat wanted Jerusalem as the capital of his state NOW. Anything, such as the tunnel, that highlights the Jewish presence in this country before the Muslim occupation, is seen as "provocative."

If the world keeps asking, they may find that a little firmness with Arafat goes a long way. It seems clear that Arafat recognizes that turning the Palestinian police's Israeli-supplied guns on Israeli soldiers was not a smart thing to do. The Palestinians are no longer a people with nothing to lose. They have the genuine possibility (I really and rightly) of a state of their own. They need to show that they can renounce violence as their single negotiating tactic when facing a setback. But they will never renounce this discipline if the world goes back to its hypocritical condemnation of Israel for not ceding to threats. War will Israel be helped by battle-fatigued or intimidated Jews in the Diaspora, led a diet of misinformation by the media, being cynically manipulated by the left-wing gurus of CNN. This is the place for a V-chip and it stands for violence of the truth.



# Opening Notes

Edited by BARBARA WICKENS

## Caught in a jam over peanut butter

Canadian elementary schools, already the scene of controversies raging from the contents of Christmas concerts to playground violence, are facing another bone of contention: peanuts. The ubiquitous legume, consumed at the annual rate of seven pounds per Canadian in every-thing from cooking oil to chocolate bars, is also the leading food cause of anaphylaxis. Up to 50 Canadians for each year from that condition, an overwhelming response of the immune system to eat minute traces of allergens. Its effects can include blocked breathing passages and even as a result of planning food pressure.

Allergists lobby debate almost every three about anaphylaxis, from its actual prevalence to whether school alone can trigger an attack. But they agree on one thing: the number of diagnosed cases is steadily rising, especially among children. And the convergence of anaphylactic students and that lunch staple, the peanut butter sandwich, raises a thorny issue for schools. The

Canadian Society of Allergy and Clinical Immunology recommends only that the earlier grades should ban all peanut products from an anaphylactic classroom "since it is extremely difficult to avoid accidental ingestion" thanks to classroom snacks, sticky fingers and shared toys. Numerous schools across the country have adopted that policy, generally with full parental support. But some administrators have gone further, declaring entire schools peanut-free.

Parents of older children who eat peanut butter every day, in lunchmeats away from classrooms, question whether the school is worth the pain. Others worry that such sweeping bans make children needlessly fearful of the world around them. Proponents, however, have little patience for what they see as a questionable belief solely on convenience. Schools are obliged to provide a safe environment for all their students, argues Karen Wood, a Toronto mother of a four-year-old anaphylactic son, and unaffected children can eat their peanut butter at home. Says Wood, "We don't need our kids to school for food, but for learning."

## Hunted down by the law

It was a case of ready, fire and aim for the B.C. Wildlife Federation, a group that represents hunters in British Columbia. With 25,000 copies of the September/October edition of its magazine, *Outdoor Edge*, already delivered to those B.C. members, the B.C. group had to abruptly cancel the remainder of its distribution, pull

600 copies from store shelves—and grant a public apology in tomorrow's newspaper last week. At issue was a cartoon in the cancelled edition contained about the Western Canada Wilderness Committee, an environmental group pressing for a ban on bear hunting. In an editorial and in pamphlets the federation had distributed separately, the hunters had likened their rivals to "terrorist groups who threaten human lives, turn humans, send rare birds to the mall or sell family pets." The wilderness committee, which describes itself as a public education and research group—and which has condemned more militant tactics—cried foul and went to court. Leaving the recycling bins overflowing at *Outdoor Edge*.



Bailey and family: Family commitments

## Too busy for golf with Chrétien

Before the Olympics last July, when reporters asked Jean Chrétien to respond to quieted school children in Canada about to sprinter Benayya Bailey, the Prime Minister admitted he did not know who Bailey was. Now, he can get a round of golf with the popular 100-m gold medal winner from Jamaica. But Chrétien is scheduled to greet Bailey, his fellow members of the wilderness 4 x 100-m relay team, rivers Kishon Heston and Mike and Melissa, and the 500-gram Canadian who won medals at the Atlanta Games on President Clinton's White House. So officials in the Prime Minister's Office called Bailey's Tennessee-based agent, Ray Ryan, to see if the world-record holder could fit in a brief 18 holes the day before. But Bailey, who recently took up the sport, had to decline "on Wednesday, because of family commitments, because was unable to play that day," Ryan told Maclean's. "But they hope to set up another time."

## A Winnipeg coup

Canada's oldest independent live-action Hollywood film on the heels of last year's smash production of *Harlow*, starring Kevin Kline, the Manitoba Theatre Centre in Winnipeg is mounting the Canadian premiere of comedian Steve Martin's first play, *Parasite at the Lodge*. About the story of a chance encounter between popular Pablo Picasso and Albert Einstein in a Paris cafe "It's wonderfully optimistic, a twist to the 80th century," says Steve Schipper, the Centre's artistic director. It will run from Oct. 3 to 28, before moving to the National Arts Centre in Ottawa in November. And although it is not yet certain whether Martin, currently shooting a play, will see the Winnipeg production, Schipper says the Centre plans to make the most of such corporate power. While the play runs here, he adds, "the participation of actors, whether playwrights like Steve Martin or actors like Steven Berkman, benefit MTC, with both their anxiety and their dramatic power."

## And no small print

Her first issue had only six pages, but Helen Spang knows that the magazine she founded earlier this year "is expanding nicely." That somehow seems appropriate. Canada Hyde, whose third issue, at 28 pages, is set to appear early October, calls itself "the quarterly magazine for large Canadians and their admirers." Spring '93, she says, she "decided to stop during nine years ago and get on with my life." That upbeat approach is reflected in each issue. Typical stories include one about how to dress without "trying to look slimmer." Another examines a common illness as sleep apnea, common among overweight people, in which sleepers stop breathing temporarily. Spring prefers such adventures at circadian rhythms and large-sized clothing stores but reports those from what she calls "the diet industry." Says the editor: "We're not enough of that in so many other magazines and newspapers." And why does she spell "wide" with a "Y"? "To differentiate it to not be the last that every large person is aware."

Spang rejects ads from "the diet industry"



## How not to get noticed in a movie

With a confused audience of 20,000-viewers confined in more than 300 films, the second Christie in Scarborough, Ont., was broadcasting from Sept. 17 to 22. And with a thrust in rural gunplay, there was no shortage of violence. The action was a showstopper of *Menace at the Altar*, a National Film Board documentary about four Sudbury Indians who have come out of the closet. Just before it started, one of the women, Suzanne, warned that her lover was threatening to shoot the filmmakers if the screening went ahead. The women had signed a release allowing the filmmakers to use footage of her. But alarmed by the prospect of it showing in her home town, she threatened to bring a gun. Police took the threat seriously and covered up as the director. In the end, she did not show. But as news of the incident spread through Sudbury, Christie added an extra screening at *Menace at the Altar* to meet popular demand.

## BEST-SELLERS

### FICTION

- 1 *Red Moon*, Margaret Atwood (\$2)
- 2 *Executive Orders*, Tim O'Leary (\$2)
- 3 *The Englishman's Boy*, Guy Vanderhaeghe (\$2)
- 4 *The Swell-Headed American*, John Updike (\$2)
- 5 *Full on the Moon*, Anne Michaels (\$2)
- 6 *The Canadian Playbook*, James Dickey (\$2)
- 7 *The Day After the Day After*, James Dickey (\$2)
- 8 *The Day After the Day After*, James Dickey (\$2)
- 9 *The Day After the Day After*, James Dickey (\$2)
- 10 *The Day After the Day After*, James Dickey (\$2)

### NONFICTION

- 1 *Beats, Beats & Beats*, David Post (\$2)
- 2 *Make a Difference*, David Post (\$2)
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- 9 *Beats, Beats & Beats*, David Post (\$2)
- 10 *Beats, Beats & Beats*, David Post (\$2)

## The way hockey was



In Original Sin: True Stories from Hockey's Classic Era, Toronto novelist and author Paul Gaudreau has had such writers as poet Judith Frydman and former *NHL* player Mike Spinks editor Jeff Z. Kie in which fictionalized accounts of incidents from the so-called Golden Age of the NHL.

## POP MOVIES

### Ruthless in the rally



In 2 Days in the Valley, Danny Aiello stars as a has-been hit man trying to make a comeback. But, as he sets off to go to his home town, he finds a new enemy and a target. For his ruthless partner Carmine Spadoni. The kaleidoscopic cast also includes Jeff Daniels, Eric Roberts, Charles Hallahan and Paul McCaffrey.

The movie's box office, ranked according to box office receipts during the weekend Sept. 18-20, indicates numbers of screens showing 1.

1 <i>The First Wives Club</i> (129/13)	\$1,500,000
2 <i>Back to the Future</i> (128/13)	\$1,400,000
3 <i>My Young Man</i> (118/20)	\$1,100,000
4 <i>Remember Me</i> (118/20)	\$1,100,000
5 <i>Back to the Future</i> (118/20)	\$1,100,000
6 <i>Back to the Future</i> (118/20)	\$1,100,000
7 <i>Back to the Future</i> (118/20)	\$1,100,000
8 <i>Back to the Future</i> (118/20)	\$1,100,000
9 <i>Back to the Future</i> (118/20)	\$1,100,000
10 <i>Back to the Future</i> (118/20)	\$1,100,000

Source: Exhibitor Relations Co. Inc.

# Passages

**ADMITTED:** To the Betty Ford Centre for substance abuse, Kelley Bonner, 41, the award-winning actor of the hit TV comedy series *Friday*, after his arrest for suspected drunken driving, in Riverside, Calif. His voluntary admission to the famed centre for celebrities has forced an indefinite suspension of production of the show, which last month won its third Emmy as best comedy series.

Gutierrez, who has past convictions for drunken driving and cocaine possession, won Emmys in 1994 and 1995 for his portrayal of the pompous psychiatrist Martin Crane.

**DIED:** Actor Dorothy Lamour, 81, best known for her string of elegant roles in a series of 1940s and 1950s "ranch" movies starring Bob Hope and Bing Crosby in Los Angeles.

**DIED:** Director Lucille Kravitz, 72, who founded the internationally acclaimed Los Angeles-based Canadian, in Montreal, after a long lung illness. Born in Latvia, moved to Berlin, went to a labor camp during the Second World War before being fatally identified as a Jew. Christie came to Canada in 1952 where she established a dance company that six years later became Les Grands Ballet Canadiens.

**DIED:** Paul Brink, 63, one of the century's leading mathematicians, at a heart attack while attending a conference in Warsaw. The Hungarian-born mathematician, who had taught balancing his dreamboat, won more than 1,500 awards and helped develop the field of computer science.

**DIED:** Anti-abortion activist Joe Bonaville, 62, who quit the Manitoba cabinet in 1997 over the issue of abortion, in Winnipeg. In 1981, he lost \$10 in an 80-day-long unsuccessful hunger strike against members of the Canadian that he feared would lead to abortion on demand.

**CLARENCE:** PQ cabinet minister Monique Simard of voter trust changes when a judge gave her the benefit of the doubt in claiming that she was eligible to vote in a municipal election even though she had lived in the constituency for the required 32 months, in Montreal.



Paul Martin is resisting backbench pressure to put money into job creation

# THE HEAT IS ON

BY R. KAYE FULTON  
and MARY JANIGAN

For a grim snapshot from the Great Depression, the sharp slant of iron blading in garages can be repeated: the sounds of job-seekers' builded against the bone-chilling, pre-dawn cold. It was Jan. 9, 1965, and as the giant General Motors of Canada Ltd. had called for applicants for lucrative assembly-line work at its plant in Oshawa, Ont., Liberal MP Denis McTeague, who expected to see mostly local constables for a rumored 500 jobs, watched in astonishment as 35,000 people, some from as far away as Saskatchewan, crowded in lines that curled around the massive convention hall where applicants were received. Twenty months later, not one had been hired. GM has actually laid off 1,000 employees, although 1996 corporate profits hit \$1.4 billion. And McTeague remains in better memory of the job-seekers. "It was the biggest, craziest job," he fumes. "That day captures the frustration of the 1960s, when hope was great but opportunities were limited. I still get a lot of people saying to me, 'Remember, you were there, Mr. McTeague, going out coffee. But I still don't have a job—what's the problem here?'"

Answers to this question are hard to come by. True, Liberal MPs are able to recall the government's cheery rhetoric that nearly 600,000 new jobs have been created since it took office in late 1989. But as soon as these Liberal MPs leave Parliament Hill, they are confronted by angry Canadians who are missing the 1.4 million Canadians currently looking for work. Most MPs have accepted, albeit with pained resignation, Finance Minister Paul Martin's dogged quest to curb the deficit. But with an election year ahead, and with the government now expected to generate as much as \$4 billion in unanticipated revenues during the current fiscal year, emboldened MPs are jangling with Martin to use the windfall to create more jobs—instead of making further reductions in the \$84 billion deficit. At the same time, some prominent economists have assailed Ottawa for tight monetary policy that, they say, has kept unemployment intractably high (page S2).

There are almost as many competing ideas for job creation—as

cluding a personal income tax cut—as there are squabbling Liberal MPs. But despite that sense of urgency, the finance minister is guarding firm. "It's not only the MPs who say spend the surplus [revenue]," Martin told Mulcaugh last week. "The very same people who, when we set the deficit targets said, 'You're not going hard enough,' now say, 'You're beating your targets, you should spend the money.' I said three years ago what I was going to do. I'm not going to change now. And if all the weak sinners in the God damn world hall of whom are in Bay Street, change their minds every time the weather changes, they can hardly go by a line."

Indeed, Martin is counting on the combination of reduced deficits, low inflation and low interest rates to guide the private sector into more job creation. Additional government-initiated measures will be kept to a minimum. Mulcaugh has learned that the government will reduce Employment Insurance premiums, which discourage employers from hiring new workers, by only five cents per \$100 of income on Jan. 1, 1997. The government could have cut further—the EI fund will require an estimated \$24 billion, surplus this year. Martin has also set aside \$1 billion in federal funds over a three-year period for a new infrastructure program in partnership with the provinces and the municipalities. That week, at a meeting in Ottawa, he will try to persuade his reluctant provincial counter-

Applying for work at GM in 1965, Christine (top) hopes it's great, but opportunity isn't



parts to contribute their share. Ottawa will also introduce minor tax breaks, such as an increase in the Working Income Supplement for needy families, or the assumption that such measures will reduce (or even) to spend more—which in turn may create more jobs.

As well, the federal government will direct more funds to programs in the three areas where it believes that there is great potential for job growth: youth, high technology and export development. And senior Liberals such as Martin and Industry Minister John Manley want to allow foreign banks to compete with Canada's agitated charter banks in the provision of more services, such as loans to small businesses, when the Bank Act is renewed next year. "The point is to really focus the attention of the banking community on what the needs of the Canadian economy are," Manley told Mulcaugh. "The best vehicle for that is robust competition."

But such measures will fall far short of what many MPs are demanding. When the unemployment rate bounced up to 11 per cent last summer, many backbenchers panicked—and demanded further government action. Now, although unemployment has dropped slightly to a seasonally adjusted 9.4 per cent, they still have the jitters. Some MPs, such as Toronto's Nanni Niccota, are exerting pressure on Martin to initiate a much larger infrastructure program that will target high technology and day care programs. Others, such as St. John's MP Roger Galloway, want significant cuts in EI premiums. McTeague, for his part, wants the Bank Act to be renewed in a way that encourages—rather than moves towards even lower interest rates. "The current negotiations that there is only so much that we can do," he says "that it shows the limited face of government in what used to be a crisis."

To soothe their backbench MPs, Prime Minister Jean Chrétien and Martin have delayed them with charts, pep talks and reassuring predictions. Two months ago, each Liberal MP received a glossy brochure titled, simply, "An Agenda for Growth." A "Jobs Strategy" That detailed the economic situation in each province and the accomplishments of 14 federal agencies—and it painted an optimistic picture. MPs were given selected economic success stories from each province, sample reports to read to their constituents, a ready-made article for community newspapers with blank spaces for MPs to insert regional data, and a video that captured the highlights of Ontario's economic record. The \$150,000 package was prepared with taxpayers' money. "The Liberals are just playing politics with this pretense of jobs, jobs, jobs," complained Reform party MP Jan Silvy. "What they are more worried about is atoning their own MPs in what to say."

In fact, there was evidence last week that some Liberal MPs were having their economic arguments in preparation for an election in early next spring. According to their secretaries, Ottawa would present its budget in early February, avoid any startling measures such as unexpected tax changes—and then move swiftly to the polls. The Liberals believe that their party alone has positioned itself successfully as the protector of jobs—with the exception of the New Democratic Party and the Conservative party—both of whom are currently mired in the House of Commons. But if the Liberals wait until the fall to call an election, some strategists maintain that the party may be taking a gamble. "If Martin's frequent predictions about more rapid job growth in 1997 do not stand up," "Right now," observed Liberal pollster Michael Mulcaugh, president of Insight Canada Research, "between three and four out of 10 Canadians say that jobs is the most important issue. I am sure that once an election starts, it will rise to 55 per cent or more. I do not think that the government can be sanguine about this."

Even with their kills and their carefully culled statistics,



## SPECIAL REPORT

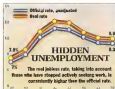
The Liberals have good reason to be wary of the jobs issue—no matter when an election is called. On the surface, the picture is rosy: annual payrolls indicate that 35 per cent of Canadians support the Liberal job creation record. But only 45 per cent believe that the Liberals have kept their election promises. In the 1993 election, the Liberals repeatedly promised the Conservative government for its dismal job creation record.

Three years later, the Liberals are warned that the voters, who already harbor doubts about their credibility, may turn on them if job creation becomes the central campaign issue. "When I tell people that the economy has created 600,000 jobs they don't believe it," says Liberal caucus chairman Joe Fontana. "They look among their friends, and one out of five people is either out of a job or underemployed."

What the public sees, perhaps, is the all-too-human face of the unemployment picture. True, the Employment for Economic Development Act passed in 1990 and 1993 Canada will probably have the highest employment growth of all major industrial nations, including the United States and Japan. But the pace of job creation has barely kept up with the growth of the population. Even if the Liberals do meet their ambitious target of one million jobs, it would barely make a dent in the unemployment rate. In fact, the job market has never bounced back to its confident, record setting highs of 1989. Then, 62.6 per cent of the working age population had a job. Today, only 57.7 per cent are employed. Worse, hundreds of thousands of Canadians simply dropped out.

Although unemployment is unlikely to drop significantly over the next few years, the Liberals are unwilling to make big cuts in their so-called payroll taxes—Employment Insurance and Canada Pension premiums—in the hope of encouraging more job creation.

## The government's measures fall far short of what many MPs want



Every time an employer hires an employee, both must pay those premiums. The contributions rise to a set ceiling as the salary of the employee rises. And their payroll deductions—coupled with a new tax—also rise. Last year, the OECD added together two significant numbers: an average Canadian industrial salary and the amount that an employer paid in payroll taxes on that salary in 1992.

Incredibly, the OECD concluded that federal and provincial governments prohibited up almost half of that total in a come time and payroll taxes. It would enter to pay over time in existing workers than to create new jobs. Worse, CIPF premiums will rise next year, further eroding the incentive to hire.

But Martin will barely budge. If he reduces payroll taxes, he cuts his revenues. And the Liberals want every dime for their first priority: the fight to control the deficit and the deficit itself, they calculate, will lead to lower interest rates. They argue that if companies can borrow more cheaply they will expand, creating more jobs. As a result, in early November, Human Resources Minister Doug Young will announce a policy reduction in EI premiums: five cents per \$100 of employee income, reducing the current 52.65 per \$100 for employers and 34.18 for employees. Many MPs are demanding further cuts, including Martin's own parliamentary secretary, Liberal MP Robert Nault, who advocated a 20-cent cut last summer. Thomas d'Aquino, president of the Business Council on National Issues, insists: "If the minister does a massive cut, he will be compelled to bring in a replacement tax. People would be in an uproar."

The Liberals will also revive their most visible vehicle for job creation, a joint federal-provincial infrastructure program. The current three-year program—to which the provinces the majority province and Ontario each contributed \$2 billion—expires next March. But this



Fontana's concern: that the voters may turn on MPs

time, if Industry Minister Markey has his way, most of the funds will go to high-tech projects, research and development and the upgrading of tourism facilities. Originally, Markey has learned, Markey and Young wanted \$5 billion to \$4 billion over three years. The cabinet has now settled on approximately \$3 billion over the same period. The difficulty is that the provinces may not afford matching funds. Quebec simply cannot afford it. And Ontario, British Columbia and Alberta are grumbling about the fact that Ontario and various city governments will have to assign to pay most of the credit for the last batch of projects, even though provincial governments put up one-third of the money before the current—and the financial contribution—of every province is required to ensure that the benefits are spread evenly across the country. Martin says just as he is to proceed with the program before the next election. This provincial counterpart continues to talk during the finance ministers' meeting in Ottawa this week.

In fact, Liberal MPs will have to make do with programs that are shoddy, far from sexy, hard to explain—and maybe even harder to sell. Martin says that he wants to use the tax system to direct more money to low-income consumers. Ottawa will almost certainly use 1997 budgets to increase the following: the \$400 tax credit for Canadians who care for dependent relatives; the \$500 per month reduction credit for students; the \$500 per year Working Income Supplement, already slated to rise to \$1,000 in July 1996; and the \$2,500 per child annual Child Tax Benefit for low-income families.

The Liberals are also likely to find more money for the three areas—youth, high technology and export development—where they calculate they can get the most employment bang for their pennypinching buck. There were actually 25,000 fewer young people working in August, 1996, than in August 1995, more funding is needed to ease young people from school to employment. There will be more money for programs that foster the development and use of high-tech products. And Ottawa wants to encourage more firms to seek and secure export markets: it calculates that every \$1 billion in exports represents 11,000 jobs. As an International Trade Minister Art Eggleton told Martin's "We are a trading nation, we are not a nation of traders. There are two million businesses in this country but only 800 half of all exports."

There are other measures afoot. Last spring, Ottawa promised to transfer \$2 billion in federal manpower retaining funds to the provinces. After months of haggling, Young and many of his provincial counterparts are close to a deal. The human resources minister said last week that he expects a major win from provinces—Alberta, Newfoundland, Prince Edward Island, Quebec and New Brunswick—to sign agreements with Ottawa before April 1. Under the plan, both levels of government would set up one-stop centres for all job-seekers, who then they are on EI, welfare or actively looking for work. At least, any unemployed person could walk in the door, pick up a cheque from EI or welfare and sign up for any training program from any level of government. "We are trying to encourage the provinces to create a single window," said Young. For the unemployed, who must now wander from office to office, looking for cheques and sorting through a maze of different programs, the chances of finding the right help could improve considerably.

But for many MPs, these measures are not nearly enough. In their frustration, some Liberal caucus members have picked up the public's disenchantment with large corporations. The Canadian

Bankers' Association has seriously panicked that its members have more than \$44 billion in credit available to small business—but only \$30 billion of that amount has been borrowed. MPs counter that the bank's criteria are too stringent. This week, Toronto Liberal MP Susan Anagnostou will introduce a private member's bill to allow banks to compete with Canadian banks in the provision of every service, from personal cheque accounts to small business loans. When asked if he reminded the banks that their current protection from most foreign competition limited responsibilities, caucus chairman Fontana replied: "Every day. They're like a tiger when you're close. They should be doing a lot more or else. They ask me: 'What do you mean by or else?' Or else means more taxation. Or else means any number of things."

In the meantime, Liberal politicians must still go home to ridings where nearly everyone knows someone who is desperate for work. They are, by now, armed with a communications strategy that is so ingrained that cabinet members and MPs alike use the same clichés laced with statistical examples. But many know that slogans are not enough. Susan MP Roger Galloway said that he set up a regional economic renewal council last year composed of 17 politicians and business representatives. The council pinpointed areas where there were job vacancies, asking the local community college to provide training programs to fill the gap. It targeted senior regulations that impeded investment. Says Galloway: "For members who are paying any attention, it's clear that unemployment is absolutely horrendous." It is a verdict that no one will dispute—and so our news is the ability to change. □

## "THE WORLD HAS CHANGED"

Late last week, Finance Minister Paul Martin spoke to Maclean's Ottawa Correspondent E. Kip Ruckelshaus and Contributing Editor Mary Jo Lesperance. Excerpt:

**Maclean's:** Personal tax cuts are popular—why lay low?

**Martin:** Lower interest rates put more money in people's pockets than any personal income tax cut could do. That's what creates consumer confidence. It gives a tax cut and I slow down the reduction of the deficit, which means we have less fear we'll repeat it.

**Maclean's:** Is the attack on the deficit replacing job creation?

**Martin:** We had decades of doing things that are politically attractive and economically backward. That has put us in a situation where we've had high unemployment for far too long. There is no government program that will get people back to work as quickly as getting interest rates down. Well, we've got them down and those who are getting more income. Now we've attacked the deficit. So don't ask me to reverse course on the deficit, because you will never create as many jobs as you will lose.



Martin: "Don't ask me to reverse course"

**Maclean's:** What then is your job strategy?

**Martin:** We've got to start talking about economic growth and how you create it. So if somebody says, "The deficit is going down—are you prepared to put money into this conversation of the economy?" my answer is absolutely yes. People think that the only ones who get employed in a new economy are people who wear a white lab coat. But you also have the worker in the shipping dock, people cutting the grass, people serving in the cafeteria. This new economy makes something or provides a service. The old economy made something or provided a service. That's what you've constantly got to reinvent. The world has changed—once they were making plastics over here and now they are making nothing. And what we've got to do is get them making something. Anything.

**Maclean's:** Are the faces of unemployment changed?

**Martin:** I don't go back to my riding for one weekend when I don't sit down with people who are out of work. When I first started politics the problem was always, "Can you help me get a job?" Now it's, "Can you get my child a job?" Older people are getting a taste of a new economy for the first time. They don't believe government any more. But they really feel that there are forces out there that neither they nor government can control.

Galloway: realising that slogans are not enough





## SPECIAL REPORT

Canadian workers are paying a high cost for price stability

# INFLATION OR JOBS?

BY JENNIFER WELLS

**P**ierre Fortin presents his slight, self-depicted, thoughtful self and ever so humbly asserts that he is, simply, a "minister" spreading a simple gospel: Then, he very pleasantly goes on to describe how the Bank of Canada, in his view, has been so wrongheaded in its monetary policy. The country, he says, has been strangled by an unemployment penalty not seen since the Great Depression. The low-interest rate is not only unachievable but still accumulating, and when businesses look back on the Canada of the 1980s, they will remember it as the decade of The Great Canadian Slump.

Which is certainly how it feels that for the export end of the economy has changed almost, the domestic economy remains mired in a quagmire of 9.4-per-cent unemployment. Wages have gone nowhere, workers are insecure, and those who have not been downsized fear they may be next. As a result, consumers, already laden with debt, have kept their pocketbooks firmly zipped.

Fortin, a professor of economics at the University of Quebec in Montreal, lays the blame squarely on monetary misperception—that is, the Bank of Canada and its zero inflation policy. Zero inflation, a neat combination of words that conjures for Canadians the ghastly spectre of John Crow, the Jacob Marley of conservatism. It was Crow who, as governor, set the Bank of Canada most firmly on its zero inflation course in 1986. It was Crow who, in the late 1980s, ratcheted interest rates ever higher in order to squish inflation—remember 13-per-cent mortgages? And it was Crow, replete with thrice-prime minister Michael Wilson, who argued that only by attacking both the deficit and inflation would Canada be seen as a credible player on the world stage. In the spring of 1989, the Bank governor addressed the Rotary Club in Rochester, Ont. "I am well aware that the increases in short-term interest rates and the exchange rate over the past year or so have caused the attention of Canadians," said a typically aseptic Crow. On a warmer note, he added that "The Bank of Canada goes in against the needs and circumstances of the country as a whole." In February 1992, he cast his inflation target three years ahead: for the end of 1995 he targeted inflation at a hovering two per cent. The recession took the country there the same year the target was set.

**Fortin accusing the Bank of Canada of monetary misperception**

bank's mandate as, simply, an inflation fighter for price stability. The bank, said a subcommittee that studied the issue, must preserve its broader mandate, to aim to sustain high levels of economic growth and employment.

The Liberal's decision to replace Crow with Gordon Thornton seemed to herald a more moderate inflation view. The new governor not announced a so-called band of inflation of one to three per cent, which sounded more palatable than Crow's expected next target, zero to two per cent. But the new governor was not, in Fortin's view, a moderate at all. By 1995, inflation was closing in on one per cent.

All of this, argues Fortin, matters roughly. He dismisses other offered explanations for the slump at home: globalization, technological change and political uncertainty among them. Instead, he argues, "Pursuing the extreme goal of zero inflation has forced the Bank of Canada to impose progressively higher unemployment through higher interest rates." Backing Fortin up is a university of economists at the Brookings Institution in Washington. The three, including senior fellow George Perry and George Akerlof, landed their bet on the topic just before Fortin did. "The price of spending at zero inflation," says Perry, "is one to three percentage points of unemployment." The "transitional effects" of pushing to zero are not transitional at all. "The costs brought about are permanent costs and they don't go away just because you've got them," he says. Perry, like Fortin, says a "moderate" rate of inflation should be the target, though he does not define moderate. "There is no magic number," he says. "There isn't a cliff you fall off" when inflation

Crow's term as governor was not renewed after the Liberals ousted the Tories in 1993. The same Liberals, two years earlier, had rejected the Mulroney government's proposal to release the



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## SPECIAL REPORT

moves to four. But it's the concern he's worried about. "The costs rise sharply as you approach zero."

Aside from such inflation worries as U.S. Senator Connie Mack, the Americans do not seem fixated on zero inflation as an economic Holy Grail. The Federal Reserve Board, led by chairman Alan Greenspan, seems comfortable when inflation nudges or even surpasses three per cent. So what is Perry so worried about? Pierre Fortin smiles. It is no coincidence that this small group of economists can be heard echoing one another's views. Fortin and Akers are both members of the Canadian Institute for Advanced Research (CIAR) in doing part of Akers's salary, forcing him up for more economic research. "He felt [the paper] would be a good way to say thanks to Canada," says Fortin. Akers and Perry "see the Canadian experience as good," he says, that the anti-inflation argument is misguided. "They don't want to see the centralization of American monetary policy."

Shortly after the release of the *Blackboard* work, Paul Krugman, a noted American economist, observed that there was "some evidence" that a push to zero inflation "may lead not just to a temporary sacrifice of output but to a permanently higher rate of unemployment." He cited Fortin and Akers and Perry.

"The discourse has sounded like a long overdue entry of the new left into policy issues ruled by the right. And that has they street cynicism. As the very movement that the payroll is at hand, there are under and voices that threaten all the progress that has been made," says Paul Sennerville, chief economist at RBC Dominion Securities in Toronto. Sennerville just got back from Tampa. "European investors all believe the Canadian story is true," he says. "John Crow and the Bank of Canada had to raise interest rates to restore credibility [to assure investors] that Canada wasn't going the way of Zambia."

The payroll, he says, is here. Short-term interest rates have come way down and now sit well below U.S. rates. Last week, residential mortgage rates, which have been much slower to move, finally fell, with new rates down under six per cent. A \$100,000



Lowering mortgage rates last week in Toronto, economic populists

### 'A miracle has happened. Don't these people know that?'

and job growth is low and "interest rates," he says. "The numbers are telling you that what Crow did was right, and God forbid if he hadn't done that. A miracle has happened. Don't these people know that?"

But if Canada is off the "drugs of debt, inflation and currency devaluation," why does it feel so awful? "Withdrawal," Sennerville says. "We're just about to benefit from the 15 years of withdrawal."

Canada, he predicts, will outpace all other G-7 economies for the next three years. European investors today, he says, are going the country "is standing ovation." People like Fortin, he says, should get out more, head to Frankfurt, places like that. Moving the inflation band, allowing for Fortin's four per cent as the high end, would mean nothing less than "economic

But Sennerville's take on the international community only highlights the bitterness still felt at home. For two years now, the Chrétien government has been saying that the domestic economy would find its real signs. It is voting still. That is the most powerful reason why Fortin's views have had such a sting. Certainly inflation targeting will be on the agenda for the annual Bank of Canada conference next spring. Pierre Fortin is a pragmatist. He figures that with economists such as himself calling for inflation slack, the Bank of Canada is less likely to embrace a zero inflation target. In the meantime, Fortin is set to take his argument to a C.D. Howe Institute conference later this month. One of the right-left divide's most significant schisms will be there to watch his views. His name is John Crow. □



Source: Statistics Canada, Statistics Canada, Statistics Canada



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## DAYS OF DISCONTENT

## The restless caucus reflects the views of a cranky nation

BY ANTHONY WILSON-SMITH

**O**ne of Paul Martin's insecto stories involves, oddly enough, his mother blossom's final days in the fall of 1980, after the Liberals won the election. Martin, after much soul-searching, agreed to take the job of a house manager—despite the fact that a truckload makes it harder one of the most unpopular people in government. Then, Martin was obliged to miss much of the first round of cabinet meetings because it became obvious that his 50-year-old mother's health was failing rapidly. After a nervous breakdown in Windsor, Ont., he found her weak, but lively conscious. When Martin entered the room, his mother looked up and said, "Why, Paul, why?" Martin, thinking she was berating the illness that would soon take her life, quickly made her an armchair close to Paul. He said "Why, Mom?" "Why, indeed?" For close to three years in the past has enjoyed a remarkable run of popularity, thanks to his skill in producing better budgets that have given massive spending and yet avoided remarkably little from those affected. His deficit-reduction efforts from money markets both in and outside the week, the International Monetary Fund predicts will enjoy the fastest economic growth of any of the world's seven major industrialized democracies.

Because of that, it should be a good time to be fonder mistress—and, with an election likely within another year, an even better time to be an elected Liberal member of the government. But suddenly, Martin, Prime Minister Jean Chretien and the rest of a restless caucus find themselves confronted by—and divided over—a series of unexpected problems on a wide variety of fronts. Among them:

- a stubbornly high unemployment rate
- unexpected opposition from British Columbia that could scuttle planned reforms to the Canada Pension Plan
- a planned legal challenge by four provinces and one territory to Ottawa's plans to establish a national carbon registry

- Newfoundland Premier Brian Tobin's political disavowal attempt to reopen the Church of the Falls hydroelectric agreement with Quebec (June 200)

his surprisingly high level of support for Liberal backbencher Roger Galloway's successful private member's bill—against the wishes of Deputy Prime Minister Sheila Copps—banning the practice of “negative option” cable television billing.

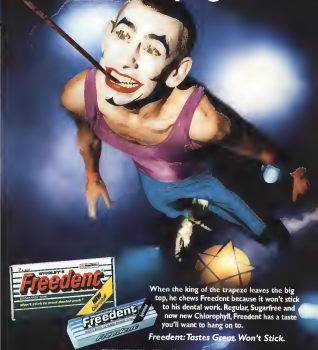
- Justice Minister Allan Rock's decision to ask the Supreme Court of Canada to rule on Quebec's right to unilateral secession.

Taken together, these developments point to two growing concerns that major Liberals acknowledge must be dealt with: signs of a deterioration of the union grip that Christou previously held over caucus, and a fraying of once-warrior relations between Christou and the premiers.

The strains in caucus are now most evident not only on the issue of jobs, but over Quebec and gay cou-

Canada that all of the countries should have a say in Canada's constitutional future.

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Churchill Falls site in Labrador. Tobin's latest contract met with doubts in Quebec

## CANADA Titting at Churchill

Jay Sealwood's clock was always ticking. Never more so than 30 years ago, when it seemed that the Newfoundland premier's grand scheme to seek economic redemption by developing the vast hydro power potential of Labrador was dead in the water. Then no buyer, no starters. And the Quebec government would not sign a deal to provide a right-of-way for Labrador power to reach New England. Sealwood, trying to save his hard-luck province, was desperate enough to consider an alternative route that would have required a lot of pure engineering: ramping—running a power line across the waters to Newfoundland, connecting down the west side of the island and across the Cabot Strait to New Scotia, then on through New Brunswick into the New England states. "We called it the White Angel/Snow Protestant Line," recalls Eric Korman, now retired in Halifax, then a member of the Quebec cabinet during the Labrador power negotiations. "I don't know if anyone really took it seriously."

In the end, the boggy Sealwood scheme came to nothing. But as it turned out, the deal that Sealwood eventually signed with Quebec (in 1969) to develop the Churchill Falls hydroelectric project was spectacularly one-sided—with events conspiring to allow Quebec to reap a multi-billion-dollar windfall while Newfoundland made do with overabundant profits. Last week—in a very public campaign that fuelled anti-Quebec sentiments even as it ignited his own already high profile—Brian Tobin became the latest



Tobin: "It isn't fair or moral"

**Brian Tobin takes on Quebec over a hotly disputed hydro deal**

in a succession of Newfoundland premiers to try to right this perceived historical wrong. "It isn't fair. It isn't moral. It isn't decent," he has described the Churchill Falls pact in an interview with *Maclean's*.

Under that agreement, Newfoundland agreed to sell Labrador power to Hydro Quebec with no price increase for 65 years—even though Korman says Quebec would have been more than happy with a 30- or 35-year contract. The ink had hardly dried before the Middle East energy crisis and galloping inflation caused prices to soar. According to Newfoundland government figures, Hydro Quebec pocketed \$14 billion between 1976 and 1993 by reselling Churchill Falls power to customers in the United States, compared with the \$2 billion in net profit earned by the Newfoundland government. Although Hydro Quebec officials declined to release precise profit fig-

ures, they said last week that Tobin's latest contract still leaves the province's citizens disgruntled. Newfoundlanders, most recently in a case put before the Supreme Court of Canada in 1988. The courts ruled that a contract is a contract. With little legal recourse left, it is no surprise that the shrewdly astute Tobin—who, as federal fisheries minister, emerged as a national hero for saving down Spain during the 1995 halibut war—wants to plead his case before the court of public opinion, with a cross-country speaking tour that starts in Montreal on Oct. 15. "There is no scenario under which Newfoundland will acknowledge the province of Quebec for the next 40 years," says Tobin. "Or Mr. Bourque thinks that on, he is making a great mistake."

Tobin's public relations offensive had immediate national repercussions. Publicly, both Prime Minister Jean Chretien and federal Natural Resources Minister Anne McLellan declared Ottawa neutral in the dispute and said that it was up to the provinces or the courts to work it out. Privately, though, they emerged at the way Tobin's campaign seemed to be whipping up anti-Quebec feelings—the Reform party, for one, demanded that Ottawa hold Quebec's taxpayers to Quebec law as it repeated negotiations with Newfoundland. For the government, the timing proved unfortunate, coming in the same week that Justice Minister Allan Rock announced that Ottawa will sue the Supreme Court of Canada to rule on Quebec's right to secede under the Constitution. As one prominent Liberal advisor put it, "Raising regional tensions right now helps no one."

In Quebec City, meanwhile, Tobin's latest crusade met with doubts. Quebec Premier Lucien Bouchard, among others, pointed out that his province took a risk when it was won in Churchill Falls in the first place and had no reason to apologize for the profits it earned in doing so. He also urged Tobin to observe the rule of law. "But as the famous halibut war demonstrated, Tobin is not one to be deterred by legal obstacles. Then there is the matter of Tobin's widely speculated desire to succeed Chretien. 'That's not serious,' he says with a smile if he is simply grandstanding to rouse his public profile. "I'll have further federal ambitions. I would have stayed in Ottawa." Perhaps. But the battle over Churchill Falls power may make him a hero in home-state anti-Quebec law suits, if not in the national spotlight.

JONNY DUMONT in Ottawa

## Canada NOTES

### KEEGISTRA SENTENCED

The Alberta Court of Appeal imposed a stiff sentence on James High School teacher Jean Keegstra, who was convicted in 1982 of promoting hatred against Jews. The court replaced Keegstra's widely criticized original sentence—a \$3,000 fine—with a one-year suspended jail sentence, a year of probation and 200 hours of community service. Jewish groups said the new sentence was still too lenient. As a teacher in Calgary, Alta., in the 1970s, Keegstra taught his students that Jews had plotted to take over the world.

### SQUANDERED FUNDS

Revenue Canada drew Auditor General Denis Desautels' ire for paying out close to \$90 million in debt-tax benefits and GST credits to people who didn't deserve them. In his quarterly report, Desautels noted that "fundamental checks and balances are lacking" in the department. He also said that the federal government had lost \$600 million in 1994-1995 because of the employment of dubious and lax rules on tobacco, fuel and jewelry by tax shelters—for which he also partly blamed Revenue Canada.

### SENATE ASSIGNMENT

Nova Scotia lawyer Michael Moore was appointed to the Senate last week, filling the seat vacated by longtime Liberal power broker Allan Rock. Moore, who retired in July 1994, 54, an active Liberal party organizer and hard-core, is also said to be close to Prime Minister Jean Chretien. His appointment gives the Liberals 91 seats in the Senate, one more than the Conservatives.

### "KILL CRAZY"

As the Senate inquiry's hearings continued, the three-member commission heard testimony about drinking and recklessness among troops of the Canadian Airborne during the regiment's 1967 mission in the Atlantic country in 1962-1963. The diary of Master Warrant Officer Ross O'Connell, dated at the inquiry, contained an entry dated Dec. 26, 1962, in which he described Airborne members as "kill crazy" and said that the noncommissioned officers did not seem to "have a gut for the mission." The diary also described troops drinking booze among the troops.

## A judge resigns in the nick of time

Controversial Quebec Superior Court Justice Jean Boudreux, faced with the prospect of becoming the first federally appointed judge to be removed by Parliament, stepped down from the bench. By resigning, Boudreux, 62, ensured his eligibility for a \$160,000 annual pension, and avoided the possibility of Justice Minister Allan Rock placing his future in the hands of parliamentarians. Boudreux dropped an appeal last week to force his resignation.

Several recent controversial remarks about women and Jews during the trial of a woman charged with killing her estranged husband by slitting his throat. At the time, he had said women could be more cruel than men and that "even the Nazis did not eliminate millions of Jews in a period of bloody murder. They did in the gas chambers, without suffering."

Boudreux later apologized to Jews and women—although he refused to sign down. But a subsequent inquiry report to the

Canadian Judicial Council, heard other testimony against the judge—including allegations that he drank on the job. Boudreux maintained in a report to the council that he had done nothing wrong and that the media had exaggerated his remarks. But on Sept. 26, by a vote of 22 to 7, the council recommended that he be dismissed, ruling that the public could no longer have confidence in his impartiality. By then, in fact, the stage for Rock to refer the matter to Parliament, which alone has the power to displace a judge.

As the controversy over Boudreux was dying down last week, another judge came under scrutiny. The Saskatchewan government has asked the judicial council to investigate Queen's Bench Justice Alvin Sirois, 71, who reportedly told a woman beaten unconscious by her former boyfriend that "it takes two to tango." The defence lawyer in the case has said he did not think Sirois meant to suggest that the man asked for the beating.



Boudreux: controversial remarks

## POLITICS P.E.I. premier race

Prince Edward Island Liberals are picking up the clock, now leading—and promising. On Oct. 6, they will choose from a field of four candidates who to replace Premier Catherine Callbeck, who is stepping down. The pick includes two members of Callbeck's cabinet: provincial Treasurer Wayne Channing and Transportation Minister Keith Maltison. Also in the running are Jim MacDonnell, a schoolteacher and the mayor of Charlottetown, and businessman Daniel Mulvey. Given the 19,000 pop members likely to vote, but the University of Prince Edward Island's poll, where the contest will be held, only holds 4,500 people. Though no facility in the province that could handle this type of a crowd," says convention co-chair David Macdonnell, who will try to ensure that all eligible voters who show up get to cast their ballots.

## The Speaker steps aside

It was hardly a smooth start to the Ontario legislative session's fall session. One day after MPs returned from their summer break, Conservative Attorney General Michael McClellan was hit by a series of allegations, mounted from his job as Speaker. He did so "irregularly," McClellan wrote in a letter, saying that his colleagues shouldn't be "absorbed or prevented from carrying out their duties." The uproar over McClellan began in August when Sarah Thompson, a former aide to the Speaker, accused him of repeated sexual harassment while she was minister. McClellan denied the allegations, and later said that he passed a lie detector test arranged by his lawyer. But his handling of the controversy resulted in widespread criticism. For one thing, McClellan refused to step down until the matter was resolved. He also threatened to sue any MPs who leaked the contents of an independent report on the allegations, prepared by University of Toronto law professor Katherine Swenson and presented to the house leaders of the provincial legislature's three parties on Sept. 23. Although the report has not been made public, Thompson's lawyer maintains that it is fair game to her office. Thompson is seeking compensation, while McClellan said last week that he remains convinced he will be cleared of the allegations.



Days of bloodshed between Israelis and Palestinians darken Middle East hopes

# IS PEACE DEAD?

BY NOEMI MORRIS

*Peace is like glass. You have to handle it with care.*  
—Nobel Peace Prize winner and former Israeli prime minister Shimon Peres

It was never supposed to happen. When far-right Israeli prime minister Yitzhak Rabin and Palestinian leader Yasser Arafat reached out to shake hands at the White House three years ago, a peaceful future for Arabs and Jews appeared to be in their grasp. Then, by last weekend, at least 56 Palestinians and 14 Israelis were dead and more than 1,000 people were wounded in the worst fighting since the early days of the 1987-1993 uprising known as the intifada. The most comprehensive peace process in the region's history was, if not dead, at least critically injured. "The future looks very black," said Hirsch Had, a 30-year-old computer analyst in Tel Aviv. "The hope that existed a few days ago doesn't exist any more." On the West Bank and Gaza Strip, the mood was nearly as



bleak. "We have nothing to lose," yelled one Palestinian protester. "We are ready for war."

How could things have gone so wrong so quickly? Just days earlier, Israeli troops had patrolled West Bank towns together with Palestinian security forces. By last Wednesday those same uniformed troops were shooting at each other. Just two weeks earlier, Arafat had telephoned Israeli Prime Minister Benjamin Netanyahu to wish him well on the Jewish New Year. By Thursday, Arafat was refusing to meet with his Israeli counterpart and Netanyahu was calling the Palestinians leaders a lie.

Finally, on Saturday, four days after hostilities broke out, a truce was declared on the strike-torn areas, and joint patrols resumed between Israeli and Palestinian forces. But after days of frantic telephone diplomacy, U.S. Secretary of State Warren Christopher and Egyptian President Hosni Mubarak had yet to arrange a meeting between Netanyahu and Arafat. The Israeli leader rejected Mubarak's offer to host a meeting in Camp David with Christopher present. Arafat refused to meet Netanyahu alone, unless there were joint guarantees that his counterpart had agreed to honor the truce plan.

The spark that ignited last week's explosion was Netanyahu's admission to open a new tourist exit from an ancient tunnel near Jerusalem's holiest Muslim shrine, the Al Aqsa Mosque, compound on the Temple Mount. For Arafat, Netanyahu's move was an intentional attempt to display Israel's sovereignty over the contested city—and a perfect pretext to unleash Palestinians' anger and frustration over the stalling of the peace process since Netanyahu came to power in June. An emotional Arafat urged his people to protest against a regime that he claimed was undermining Muslim control over sacred sites and violating an Israeli commitment not to alter the status of Jerusalem until its ultimate fate has been negotiated by the two sides.

The outrage quickly spread from the Temple Mount—where Israeli troops answered stone-throwers first with rubber bullets, then with real ones—to various towns across the West Bank and Gaza Strip. North of Jerusalem, in the town of Ramallah, violence erupted after more than 1,000 Palestinians marched along a highway towards an Israeli checkpoint. There was another outbreak over what role the 30,000 armed Palestinians were to play after members of Arafat's own elite Force 17 guard began to shoot at Israeli soldiers. When one police commander offered his unit to stop firing, he was completely ignored for two hours by his men, who would not

**Palestinian police officer in Gaza; funeral in**

**Ramallah (below): on the side of their people'**









# 'The Israelis are not yet ready to live with us as equals'

Bank and Goss, and the number of Jews on the Golan Heights, near the border with Syria, will rise from 15,000 to 25,000. Talks with Syria, moved by Netanyahu's peace overtures as the next frontier of peace, seem further off than ever. And tensions on the northern border had been heating up over skirmishes between Hezbollah guerrillas and Israeli troops provoked Israeli air raids. Although Israel had recently increased the number of Palestinian entry permits to Israel from 25,000 to 30,000, the closure of the West Bank and Gaza Strip was still in effect. Israelis had grumbled some relief from the deadly fear of militant Muslim suicide bombers who took 57 Israeli lives last spring. But to Palestinians, it felt like the bad old days were back.

"Where is this peace? We believed we would have better living conditions," said a 22-year-old named Mustafa in Ramallah. "Instead, we got closures, the worst economic conditions and a new kind of occupation." Across the West Bank, Goss and Arafat-populated East Jerusalem, even among the most moderate Palestinians, the overwhelming emotion was frustration. Nader Sarnadi, 41, the owner of the Capital Hotel on East Jerusalem's Salaheddin Street, and the "realities" were not being addressed. "The Israelis are not yet ready to live with us as equals" she said. "Until that happens, we will not agree to being located as slaves who only right is to breathe." Sarnadi's youngest son, Youssef, 17, spent his youth as his computer rather than throwing stones at Israeli soldiers, like many of his peers. Yet despite his professed pacifism, Youssef believes that violence was necessary to get Israel to follow through on its promises. "This week's events are showing them that we still have the will to fight back," he said. "I think they will rethink their strategy."

Omar Karman, 65, an architect in Ramallah, said the election of Netanyahu was a big blow for the Palestinians. "We, who had chosen peace, were shocked that our former enemy had chosen to reject our very modest achievement, the Oslo accords."

## READY TO EXPLODE

Amos Oz is a leading Israeli novelist and an outspoken peace advocate. He spoke to reporters from his home in the Negev desert town of Arad. His view of the conflict:

I think that the basic attitude of the Netanyahu government created an accumulation of disappointment, bitterness and frustration among the Palestinians. This led to a situation that was ready to explode. The tunnel was a detonator. If the peace process had continued then this could have been avoided.

Ironically, the bloodshed may even serve to speed up the process—if the Israeli government and the Palestinian leadership realize that a standoff is no good for either side. The peace process has been proclaimed dead as or rather since the signing of the Oslo accords three years ago. Personally, I wouldn't be so quick to sign a death certificate.



by choosing a government which was against these accords. Since then, everything has been downhill." Karman believes that Arafat, who was losing popularity because of his authoritarian rule and inability to deliver results, has made tremendous headway as a result of the latest negotiations. To Karman, Arafat's standing is enhanced because many of the Palestinians killed last week were his policemen. "This was their first test, their first chance to prove they were on the side of their people," he said.

But to many experts, the unspectacular performance of the Palestinian police was precisely where the Palestinian leader lost points. "Arafat was given a golden opportunity by Netanyahu to focus on the 100 days of failure by the Israeli government to improve him in the peace process," said Joseph Alpher, a former director of

Israeli troops under attack outside Jerusalem (left); a Palestinian policeman takes aim in Ramallah. This is a war!

Tel Aviv University's Jaffee Center for Strategic Studies. "While he may have succeeded in focusing everyone's attention, the fact that his security services went out of control has now placed him on the defensive." Arafat, says Alpher, took a good hand and overplayed it in a way that poses a major challenge for the future of the Oslo process. "Maybe he wanted a little bit of firing, but there is a chance that he didn't want a situation where police were firing like Israeli troops," Alpher said. "It will pose a major problem when Netanyahu finally gets down to negotiations in Hebron."

That may eventually prove to be the case. But Palestinians were displaying more hope for progress than they have since Israeli troops began to withdraw from their towns during the honeymoon period of peace late last year. "We got a new deal and this is our way of saying we don't accept it," said 24-year-old East Jerusalem resident Nurhan Alsharif. "This kind of showdown is the only way to understand." Agreed, says another student, Amos Alsharif, 24. "When I hear the sound of bullets, I feel we are resisting again. Maybe the next agreement will be better."

Zaid Arafat, a Palestinian parliamentarian who has been involved in Arab-Israeli dialogues since the late 1960s, says there is no doubt his people have returned to a state of war in order to press their cause. "There are two options: a two-state solution with Israelis and Palestinians side by side, or one Jewish state in which Arab and Jews live together," he said. "The latter con-



cept did not work in South Africa and it cannot work here. The sooner the Israeli is understood that, the better."

One thing Israelis do understand is fear. "Look," says 19-year-old soldier Maya Levin, "the Israelis, and the Jews in general, have been through much worse trouble than this and we have always come out with our heads up. In the end, everything will work out. The only question is: what's going to happen until it does?" Random interviews with Israelis by Alsharif's correspondents suggest that views within Israel are becoming more polarized than they were during the height of the peace euphoria. "There is no place in this country for Arafat, except either in the war or the world to come," said Elmadfa Almadfa, a 21-year-old Tel Aviv soldier. "There is no going to be peace, there's going to be war. And we'll win it." But a dogma-



noting conditions of the Palestinians, the Israeli closure of the West Bank and Gaza, and a pervasive feeling of pessimism there. This all created an explosive atmosphere. The opening of the tunnel ignited it.

Basically, it was the deadlock in the peace process. The feeling among the Palestinians was that the Netanyahu government had no intention of moving forward but simply aimed to deceive the world by continuing to talk about the Oslo agreement while not actually doing anything. So the Palestinians decided the best way to expose this deception was by a confrontation. It was neither war nor necessary to turn the confrontation into a bloody one-by both sides.

The situation has taught everyone a lesson. It has taught the Israelis that shelling has a price. It has taught the Palestinians that a confrontation carries with it the risk of uncontrollable escalation. As a result, both sides are a little wiser.

I expect we will see a willingness on both sides to get into the business of starting the peace process. Both Arafat and Netanyahu are pragmatic people who won't go to the best options for their societies. Stalling isn't going to work.

## LESSONS LEARNED

Abdel Shikole is a political scientist at Al-Najah National University in the West Bank town of Nablus and a director of the independent Centre for Palestinian Research and Studies. His perspective on the clashes:

I am very disturbed by the behavior on both sides. Yet I'm still optimistic.

The response of the Israeli soldiers towards the demonstrators was brutal. Their use of force was excessive. On the Palestinian side, the police should not have reacted to firemen under any circumstances. It was an unnecessary escalation, yet unavoidable. On an emotional basis, it was very difficult for the Palestinian soldiers not to use their weapons when the Israeli soldiers were firing at civilians, who were firing in front of their eyes.

The confrontation has been the result of a combination of things: a lack of progress on the peace process, the difficult eco-







# Northern frights

## How the U.S. hearing on Canada got going

The chaos of events that led to last week's first-ever congressional hearing on the future of Canada began last December in an unlikely spot: a restaurant in New York City.

Blomfield, a Montreal lawyer and businessman, was having dinner with Patrick Henry, a fellow member of the board of the Vermont

Telefonat Co., and Henry's wife. Neither it was just a few weeks after the narrow federal victory in the Quebec referendum, and Blomfield was telling his companions that "what we need is more informed Americans to come up and find out what's going on." As it turned out, Patrick Henry had a brother, Tom Campbell, who was in a position to do exactly that. She put Blomfield in touch with Campbell, a Republican congressman from California. A few months later, Campbell visited Montreal at Blomfield's invitation, became convinced that Americans should stop ignoring Canada's constitutional woes—and started to push for the hearing. "He really did a merited raise attention," Blomfield recalled.

And so for the first time, American congressmen gathered to ponder the potential revival of a country that they agreed to hold significance to the United States—but

that, until last Wednesday, had received little attention in this country. On Capitol Hill that afternoon, Sen. Don Burton, the Indiana Republican who chairs the Senate's House subcommittee of the House International Affairs Committee, presided over the session for exactly 21 minutes before excusing himself to do an interview with the CBS News program *60 Minutes*. Then Sen. Burton left Campbell, two other congressmen and a hearing room packed mainly with Canadians listening to four American academics wade through the secession of Quebec to a very real possibility that threatens U.S. trade, economic and defense interests. One of them, Earl Fry of Brooklyn Young University in France, Utah, cautioned that the United States had already

lost billions in trade because of uncertainty in Canada, and the devastation unleashed by Quebec independence would cost "tens of thousands of additional U.S. jobs."

Among those listening was a gallery of Canadian and American capitalists, including English rights activist Howard Galganov, lawyer Guy Bertrand and a delegation of Cree Indians from northern Quebec, who also discreetly present was Blomfield, who could claim to have at least partly inspired the entire episode. After meeting Campbell's sister, he hosted the



Separatists march in Montreal. Campbell (right) attends to U.S. lawmakers

congressmen in Montreal last March, introducing him to Quebec Liberal Leader Jean Charest, Quebec Premier Michel Rieucourt, and other officials. He also met with separatist leaders, and members of grassroots ally groups. The message Campbell received was that the referendum had settled nothing, and that Canada was in danger of breaking up. Blomfield, a wealthy 55-year-old lawyer and economist, Tory candidate against Pierre Trudeau in Montreal's Mount Royal riding, was well satisfied that a

prominent American had come to hear that "The separatist leaders of Quebec have a healthy respect for the good opinion of Americans," he said.

Campbell, a fiercely intelligent economist and Harvard-trained lawyer who represents a district just south of San Francisco, returned to Washington to introduce the issue. As a specialist in international trade at Stanford University, he was concerned that Quebec independence would create uncertainty in the North American Free Trade Agreement and for U.S. defense agreements that involve Canada, including NATO and NORAD. Blomfield also introduced him to Galganov, who met the congressman in Washington on Sept. 11 as part of his attempt to win American support for his English-rights campaign. Some Quebecers who followed the visit closely even speculated that Blomfield orchestrated Galganov's American tour. But Blomfield says he is not involved in Galganov's campaign. "He's completely his own man," Blomfield said.

As it turned out, last week's hearing did

Christopher Seale of Washington's Center for Strategic and International Studies, and Joseph Jockel of St. Lawrence University in Canton, N.Y., urged Americans to take the Canadian situation more seriously. "If we are caught as surprised as we were in the last referendum," said Seale, "we will have no one to blame but ourselves."

Under persistent questioning from Campbell, all four academics agreed on one thing: that Quebec would not automatically become a member of NAFTA after independence. That is crucial because President Jacques Charest's Parti Québécois government has assured voters that the province would continue as a free trade partner of the United States, and that as a result the economic disruption of secession would be minimal. In contrast, the American experts argued that the United States would have to agree to stop new state joining NAFTA, and that it would be up to Congress, not the administration, to make that decision because it has jurisdiction over trade law. "While the accession of an independent Quebec to NAFTA makes sense," concluded Jockel, "there's nothing automatic about it."

Canadian officials watching the hearing were pleased at that unanimous conclusion—which was featured in a front-page headline in Quebec's most influential newspaper, *Le Press*. And they were horrified that all the experts underlined the obvious: that the United States has a strong interest in ensuring its most important trading partner remains united and stable. Quebec officials were left with little choice to report home. They took some comfort in the experts' conclusion that if Quebec did declare independence, the United States would be well advised to cultivate close relations with the new country. And they pointed to Jockel's more controversial argument that Quebec declared sovereignty unilaterally; the United States could play a role in persuading an angry English Canada to accept the new reality for the sake of stability throughout North America.

But federal and Quebec officials in Washington could agree on one thing: they were not eager to see Congress take up the subject of Canada anytime soon. For both sides, such hearings are too unpredictable and fraught with danger. But more concerns are exactly what Campbell has in mind. He promised to pursue the issue after the November elections, possibly by trying to force Congress to pass a new law. The U.S. Congress spent out more closely the U.S. Congress for accepting a new state into NAFTA. Blomfield does not intend to let the issue lapse. Earlier last week, he and other Montrealers launched a group called the Citizens Committee for Democracy in Quebec, with the aim of bringing to the public in the United States over the sovereignty issue. All that could lower Canadian pressure for the time they were lastly agreed on in Capitol Hill. □



Putin will Defeat: surgery confirmed

## WORLD RUSSIA

# The heart of the matter

It comes down to this: the political health of the world's largest country is now tied to the doctor's stethoscope. In a recently released prognosis, a team of cardiac specialists met in Moscow last week and finally confirmed that Boris Yeltsin would undergo a triple or even quadruple bypass operation. But the delay involved across that the political and economic instability brought on by Yeltsin's weakness is only worsened—and pressure will mount for him to step aside.

Dr. Roman Abramovich dispelled some of the rumors that have swept Russia since just before the July 3 presidential runoff election, when Yeltsin suffered his third heart attack in one year—and almost at the time—and largely disappeared from public view. Abramovich, a prominent Moscow cardiologist, announced that he said a team of about 12 cardiac specialists would operate on Yeltsin in six to 10 weeks, that a date for surgery might be as late as December, only emphasized that Yeltsin will need lengthy preparation—and his recuperation could take another two months. The uncertainty also focused attention on who might replace him running the country—temporarily or permanently. In an interview published on the weekend, Alexander Lebed, Yeltsin's powerful national security czar called on the president to transfer his powers while he remains ill. Said Lebed: "It's not clear

whether we have a president or not."

The statement, said Sergei Mikhelich, an analyst at Moscow's U.S.A. and Canada Institute, "is the so-called crisis of succession during the 1990s when the country was run by Leonid Brezhnev." But the aging Soviet dictator had the then-powerful Communist party to back up his pained grip on power. Like his much-bemolled predecessor, though, Yeltsin would be hard to budge. A 1993 constitution gave Yeltsin the right to largely dictate how it up to the president to decide if and when health reasons should force him to quit. And there is no need for anything so drastic, argue Yeltsin aides, setting to the conclusions reached by the president's cardiac advisers after a three-hour discussion. One of the most

prominent is Michael DeFuria, the U.S. doctor who pioneered the bypass operation. The 65-year-old specialist says Yeltsin has less than 10 weeks that a date for surgery has his chances of recovery. Said DeFuria: "There is no mass the president shouldn't be required to fall normal activity."

To most Russians, though, that prognosis had the ring of comminatory old promises that a bright future lay just around the corner. Now as then, understandably, epidemic rumors do little to ease an immediate crisis. And with Yeltsin all but absent from the Kremlin, there is a clear need for top-down action on issues ranging from the

Russia's health is as shaky as Yeltsin's



## WORLD

fragile peace in Chechnya to NATO's plans to expand into Eastern Europe. Russia's chronic economic problems are threatening to cause massive social upheaval. Many state employees are again waiting for overdue salary payments. Lebed had earlier warned that the financial squeeze on the army could ignite an armed rebellion this fall. To Lebed, the country is on the brink of chaos. "We are in a dangerous boat, a very dangerous boat," he said. "It is not a time to sleep. We must get out of the slaps."

Yeltsin's health problems have depressed Russia's fledgling stock exchanges and given pause to already scared foreign investors. They advanced only \$6.6 billion last year—just half, for instance, of what comparatively small, but more stable, Hungary pulled in. Brokers are currently trying to attract \$500 million from overseas investors for a one-offered stake in Gazprom, the natural gas monopoly that is Russia's biggest company.

Even many of Yeltsin's colleagues doubt that he can pull off another of his patented comeback and serve out his second term. At 65, Yeltsin is eight years past the average life expectancy for men in a society where food or fatty foods are common. As a drinker, according to such close aides as former press secretary Pavel Vashchukov, Yeltsin's chances of recovery will be made more difficult by kidneys and a liver weakened by years of knocking back vodka toasts. Yeltsin's doctors last week pronounced these presidential odds to be an extremely good stage. But Vashchukov, who worked for Yeltsin for eight months in 1996, has flatly stated that his former boss has cirrhosis of the liver. Vashchukov said, he was frequently

stymied by Yeltsin's fondness for socializing. "Often I could not answer questions about our schedule because so much depended on our dinner plans who would be there, when we would eat—and how many bottles would be used on the table."

The doctors and the Kremlin have co-operated to put the best possible spin on the president's light workload. Dethy stressed that Yeltsin's heart condition had not affected his mental abilities. And chief of staff



Lebed: "We are at a dangerous point."

Alexey Chubais emphasized that he now signs daily packages of documents to Yeltsin at Moscow's Central Clinical Hospital, which he entered for tests on Sept. 13.

Yeltsin's rivals have drawn contrary conclusions, especially from Chubais' revelation that the president spends as little as 17 hours a day on state affairs. "The Yeltsin era is over," declared Grigori Yavlinski, a liberal economist who finished fourth in the presidential campaign. Yavlinski blamed Yeltsin's habit of dividing power among competing factions for the paralysis at the top levels of government. Added Viktor Novinsky, the U.S.A. and Canada Institute's director: "The president is the key to everything; if he is not in good health

a ruling triumvirate of Chernomyrdin, Lebed and Chubais, the president's own negotiator between public demonstrations of loyalty and jockeying for position in an undeclared succession race."

Lebed was already working to fill his own prediction that he will be president before 2000—the end of Yeltsin's four-year term. In recent weeks, Lebed has undertaken high-profile trips to Belarus, where there is widespread public support for a reunion with Russia, and to Chechnya, where he earned new threats in the peace deal he negotiated with separatist rebels in August. He has also issued tough warnings to the West against NATO expansion and criticized the government for opening to an "uncontrolled" arms race. But Lebed will still have competition in a formal race to succeed Yeltsin. Grigori Yavlinski, the Communist candidate whom Yeltsin beat by 16 million votes is ready to run again. Yavlinski, too, says the Yeltsin era is over. He also charges that the Yeltsin team committed electoral fraud by lying about the president's health just before voting day.

"What else could we do?" responded one key member of the president's viceregal election team. "If we had let it out that the president had more brain problems, we could have had a Communist president." So much for an election that supposedly signalled a decisive break with the past. Instead, Russians find themselves in, as all too familiar a situation, muddling through an uncertain present on the strength of a promise that things will get better.

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## BYPASSING THE PRESIDENT

In joining the hundreds of thousands of patients worldwide who have undergone heart bypass operations, Boris Yeltsin faces all the risks of major surgery—and then in a matter of minutes an organ covered with the scar tissue of three heart attacks, heart surgeons will cut through Yeltsin's bloodstream with surgical steel. That invasive procedure can take four or five hours, according to Alexander Arkin, a 28-year-old surgeon at Moscow's Institute of Cardiology. Then, a team of as little as 12 specialists will go on what Arkin calls "simple plumbing." The 170-hour second-stage involves replacing—or bypassing—blood vessels that have become narrowed or closed off, due to a buildup of fatty tissue, with healthy veins taken from the patient's leg. Sewn in place, the transplanted veins can then carry a full flow of blood to the heart.

The rules are pretty thorough: A patient has to be fit enough to withstand the physical

assault of the operation itself. And the doctors and nurses involved must work smoothly as a team. Among the key members are a cardiologist overseeing the process and a surgeon performing the cutting and sewing. They are supported by an anesthesiologist, who continually monitors the unconscious patient, and a perfusion unit that operates the heart-lung machine that keeps the patient alive while the heart is stopped during the operation.

The team will also pump in anticoagulants to thin the patient's blood and aid circulation while he is on the machine. This procedure must be repeated when the operation is finished so that his blood will clot and he will avoid hemorrhaging. To handle the anticoagulants, Yeltsin needs a healthy liver. Despite rumors about his drinking, the president's medical advisers insist that he will meet that crucial requirement. After up to two months of rest, Yeltsin will— they hope—be ready again for the rigors of the presidency.

M.B.



# The guru and the PM

## Rao's downfall has a Canadian connection

For nearly a quarter of a century, their names have been inextricably linked. From Delhi's spiciest saloons to the buzzards of Madras, Indians of every political shade have pandered under the unwavering dominion of former prime minister P.V. Narasimha Rao to his controversial grunting guru, Iri Chandra Swamy Maharaj—better known as Chandra Swami. So great has been the guru's 47-year-old holy man's sway that he picked the prime, astrologically auspicious moment for Rao's swearing in five years ago, and routinely breached through the formidable security of the prime ministerial residence without a scratch. Throughout his follower's tenure, he was hailed as the second most powerful man in India. But last week, four months after Rao's humiliating electoral rout, both their fortunes appeared distinctly altered. While the guru languished in Delhi's Thar prison without bail, his 75-year-

old political patron was forced to sign down as president of the scandal-ridden Congress party after he was formally charged with conspiracy and "cheating" in two separate criminal cases going back to Chandra Swami.

As the country reeled at the prospect of its former leader being called to a public court date this week, Rao dismissed the accusations as "false, frivolous and baseless," and his provisional successor, Atal Bihari Vajpayee, glided business as usual, with continued support for the two-party United Front coalition government. But the sheer notoriety of the charges signalled a dramatic new determination by the judiciary to crack down on the rampant cor-

ruption that now seems to have a stranglehold at every level of the country's unwieldy body politic. Meanwhile, Madras's has learned that the pressures of tracking Rao's ties to the sexual-link Indian investigations to a luxury mansion north of Toronto—which the guru uses as his headquarters on periodic visits—owed by a mysterious former motel owner named Walter Ernest (Jimmie) Miller.

Miller first surfaced as the swami's business adviser in the 1980 Iran-Contra arms scandal. But the gruff Calgary-born wheeler-dealer has spent nearly two decades as a fixer in his homeland. Last week, he did not return to his home's calls, but two of his former business associates confirmed that he had played a role in Rao's downfall.

One instance dates back to early January, 1986, when a British-based stock merchant named Leichman Pathak—Britain's self-proclaimed "piddle king"—claimed he gave Chandra Swami two cheques totalling \$100,000 (U.S.) as the understanding they would grease the political wheels to win him a multimillion-dollar pulp and newspaper contract from the state trading corporation. Months later, when that

contract failed to materialize, Pathak began badgering the swami for his money back and reportedly called Miller's Toronto residence with long distance calls for reimbursement. Last week, recovering from a recent stroke in his Bombay apartment, the 73-year-old Pathak explained that the swami had originally instructed him to deposit the cheques into a Canadian Imperial Bank of Commerce account. And he said that at least one of the cancelled cheques still in his possession bears Miller's endorsement. However, there is no evidence that Miller was aware of the alleged purpose of the cheque.

Although Miller had once dismissed Pathak as "a fool," the piddle king has become the swami's most relentless opponent, spearheading an important libel suit and even circulating a flyer warning other Indian expatriates against the "con man in a suit and robes." At least 11 angry investors with similar stories have responded, but so far only three have come forward to offer statements to the police. As for Pathak himself, he refused to give up. In 1986, he filed a formal complaint with India's Central Bureau of Investigation, but no further action materialized for another eight years. Then last summer, two months after Rao lost the general election, the CBI drew Pathak to Delhi to testify against Chandra Swami. The guru had been arrested after a mobster linked him to a gangland chief reported to have con-



Toronto's Miller: an unlikely player

cheated a series of Bombay mob bosses.

There, on July 5, from his wheelchair, the piddle king recounted his 13-year pursuit of the swami as a swiftness conman. But at the middle of his saga, even the CBI appeared caught off guard. For the first time,

he claimed that he had only handed over the money after Chandra Swami turned acid on him to three foreign ministers Rao in New York City in late December, 1983. According to Pathak, Rao had emerged from a hotel room with the guru to indicate that he was apparently aware of their scheme, assuring him "Your work will be done." With that, what had begun as a case against a besiffling swamiing holy man suddenly turned into a public scandal—complete with suggestions of a monstrous payoff. But in India, where so-called political congressmen have increasingly become the norm in securing state business, even the most cynical pundits were astounded when Delhi's Chief Metropolitan Magistrate Prem Kumar promptly arrested Rao. But he would be charged, declaring "Be you ever so high, the law is above you."

Still, that greasy-smeeting case rests on less-than-solid foundations. Rao's lawyers protest that he was not in New York on the day Pathak claims to have met him, suggesting the piddle king to swear on the exact date. But last week, it appeared to millions of India's new breed of anti-corruption crusaders, they charged Rao to another long-standing and potentially far more explosive scandal.

According to CBI reports, in 1988, the man who had come to prominence 16 years earlier as Indira Gandhi's party boss was in-



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velled in a disastrous attempt to rescue the infamous political fortunes of her son, Rajiv, who was then prime minister. At the time, Gandhi's chief rival in the general elections was his former finance minister, V.P. Singh, who had deserted the Congress party to lead the Janata Dal coalition on an anti-corruption platform. But shortly before the vote, newspapers accused an leaked allegation that Singh's son, Ajaya, had opened an illegal offshore account in the Caribbean last June of St. Kitts. Showing deposits of \$28 million, it named his father as beneficiary. The capsule introduced a parliamentary session until Ajaya Singh pointed out that the account bore signature he had not used for years—one that had been taken from an outdated passport application.

No sooner had his father won the election than CBI investigators discovered that the documents had been forged. As it turned out, the account had been set up on the starboard of the defunct First Trust Corporation Ltd., a short-lived \$250-million corporation that had been cofounded by a Canadian public relations consultant named George McLean, who also served as its managing director. During a meeting in a suburban Toronto restaurant requested by the company's assistant, Rajiv's North Atlantic—while was then staying in Miller's

house—the Hamilton-based McLean, a long-standing friend of the guru's, had designed the phony paperwork for the account, backdating it to 1986 when V.P. Singh was still Rajiv Gandhi's finance minister. Miller himself was not present at the meeting. But later, when Indian legislators ques-



## Rao's swami set up the foreign meetings

Chandra Swami, left-center

tioned First Trust's existence, one of his employees flew to St. Kitts to retrieve proof of registrations, which was handed over to the swami and, subsequently, to Gandhi's top officials. McLean died two years ago. Like Patil's original complaint against Chandra Swami, the annual CBI report on what has been dubbed "the St. Kitts affair" omitted any reference to Rao. But last week,

on a million new free-market course but the Bombay group has first met in the early 1970s back in their home town of Hyderabad.

At the time, Rao was the governor of the southern state of Andhra Pradesh and the events would occur as a first Chandra Rao, the son of a Congress party leader, was by 1975, when Rao arrived in Delhi to take over the party for a beleaguered Indira Gandhi, he brought along the barely self-scruffed holy man, introducing him to the cream of the country's Establishment. Over the next two decades, as Rao climbed between the foreign affairs and defense portfolios, he increasingly embraced his brother, globe-trotting guru to arrange discreet international introductions—leading to top officials in Jimmy Carter's administration. In fact, it was during one of the swami's first U.S. visits that he stopped in Toronto, where he met Miller. Since then, Rao's whereabouts with the swami have allowed him to hobnob with Elizabeth Taylor, Richard Nixon, former U.S. house speaker Jim Wright and the wives of Bruno.

For years, Rao has rebuffed inquiries about his relationship with the guru in enigmatic press conferences. But the swami has now made no such reserve, boasting of the influence at his disposal through his high-powered clerical or disciple. Recently, however, he has made no secret of the fact that he feels abandoned by his political patron, who has not visited him since during his four-month jail stay and has muttered darkly about a "trial confession." Should the swami make good upon that threat, the Indian public's already threatened political and business elite may discover that even their closest entourage are unable to save them from the winds of a Hindu windfall long gone to the nation's backroom secrets.

the charges against him centered on allegations that, as Rajiv Gandhi's finance minister at the time, he had accessed the India closed general in New York to his hotel room and instructed him to authenticate the St. Kitts account documents.

Still, both cases may yet prove to be far less damaging than the half-dozen other scandals currently being investigated in connection with Rao's 10-year reign. Among them a \$52-million fertilizer kickback scheme involving his son Prabhakar and claims by a multimillionaire energy contractor named Suresh Chandra Jain that he paid Rao \$1.3 million through Chandra Swami. In fact, the chief target of India's anti-corruption squad appears to be not the man who set the country on a million new free-market course but the Bombay group he first met in the early 1970s back in their home town of Hyderabad.

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## World NOTES

### LEGAL MERCY KILLING

A former Christian missionary became the first person to use a new law in Australia's Northern Territory permitting assisted suicide. Bob Oord, 66, who was suffering from prostate cancer, decided by computer-delivered lethal injection. Australia, who oppose the law, plan to challenge it in Parliament and in the courts.

### DEATH AT SEA

One man died when a boatload of Hong Kong protesters sailed into the East China Sea to back a Chinese claim to a string of uninhabited islands north of Taiwan. The disputed islands, known as the Diaoyu to Chinese and Senkaku to Japanese, were surrendered to Japan by China in 1959. As part of a string of protests over Japanese control, activist David Guan leapt into the ocean near the islands, he drowned in the turbulent wake of a cargo ship.

### ARMED MEN PROTESTS

Thousands of angry protesters in the Armenian capital of Yerevan stormed the parliament grounds alleging that recent presidential elections had been rigged. One person was killed in fighting with riot police. The protesters claim that President Levon Ter-Petrossian, who has led Armenia for five troubled years since it declared independence from Russia, actually led the election to former prime minister Yeghenshinyan.

### 'SPY' SENT HOME

At the request of the United States, South Korea recalled a Washington-based naval attaché accused of espionage. According to U.S. officials, Capt. Song H. Park mailed top-secret documents to an American, a Seoul-based company president employed by a U.S. naval intelligence agency. Kim 58, was charged with espionage offenses carrying a maximum penalty of 15 years in prison.

### DRUG LORD CHARGED

Colombia's top prosecutor charged Miguel Rodriguez Orejuela, the second in command of the Cali drug cartel, with illegally funding the 1994 election campaign of President Ernesto Samper. Although Samper was officially cleared in June of charges that he was linked with the cartel, there have been repeated demands for his resignation since then.



Record-breaker Luedtke talks with Clinton, a craving for candy, potato chips and cola.

## DOWN TO EARTH: It wasn't the weightlessness, or the boredom, or even the head-sleeping chores that she shared with two Russian colleagues, Shannon Luedtke, biochemist, astronaut and mother of three, said that one of the biggest drawbacks about living in space for six months was her craving for junk food.

After setting the month for 1994 on the Russian space station Mir as a reward for a woman and an American—Luedtke, 33, returned to Cape Canaveral, Fla., with a craving for candy, potato chips and cola. President Bill Clinton sent her a huge box of M&M's, colored red, white and blue.

## Islamic rebels take Kabul

Fundamentalist Afghan rebels who have been fighting for two years to overturn the country's more moderate Muslim government swept into Kabul last week. Meeting little resistance in the war-ravaged capital, the Taliban militia quickly took over key government positions, including the presidential palace and the defense ministry. President Burhanuddin Rabbani had fled the city only hours earlier but Najibullah, the head of the Soviet-backed government that was ousted in 1992, was immediately headed and his body strong up in a Kabul marketplace. The Taliban, formerly Pakistani-based guerrilla fighters, has vowed to end Afghanistan's century-old civil war, but only a day after taking control it banned women from schools and asked

them to wear the traditional dress veil. A religious scholar also announced on Kabul radio that adulterers and drinkers must be killed.

The new government quickly asked for international recognition. The United States responded cautiously, urging a process of national reconciliation, while Pakistan said it would send officials for talks with the new regime. Realistically, however, restoring order on a national scale may take months. The economy has been devastated by more than four years of intense fighting and the country is littered with so-called 15 million land mines. A population of 17 million, the vast majority Sunni Muslims, also includes millions of displaced people. Some 1.5 million still live as refugees in Pakistan.

## Found: a massive cache of IRA weaponry

British found a new show of strength from the Irish Republican Army when about British police announced that they had uncovered a hidden cache of suspected IRA weapons and home-made explosives in London. One man was killed and five were arrested in the process and that needed the largest haul of IRA weapons ever found in England. Police believe they looted an ancient IRA bomb shelter. The conflict, which began in 1969, ended in the week when nationalists set fire to a Protestant church in a Roman Catholic area of London's Northern Ireland. Although no one was killed, the 160-year-old building was extensively damaged.

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Colin: "Using our big side and left it there!"

# Squeezed at the pump

BY D'ARCY JENISH

For a man whose business has just taken a serious beating, David Mercer seems remarkably free of anger and bitterness. Or perhaps it is his accent—a catlike, Maritime drawl—that makes him sound upbeat. Mercer, 41, is president of Northern Petroleum Ltd. in Sydney, N.S., a family-owned firm that supplies of products to commercial clients. Over the past eight years, Mercer acquired two retail gas stations from a major oil company. Through hard work and timely investments in new pumps, he more than doubled the new outlets' annual sales. But during a 10-week price war this summer, his revenues plummeted by as much as 70 per cent, forcing him to close one of the stations on Sept. 6. His customers, Mercer says, simply drove down the road to Esso, Ultramar and Irving outlets because he could not match their prices, which were often below the wholesale prices charged by those companies to their refineries. "I asked them to sell to us at the retail price," he said. "But they wouldn't do it."

**Are the big oil companies driving out competition?**

like business by the major oil companies is echoed by many independent operators in the Atlantic provinces, Quebec and Ontario. And Mercer's tale has earned him the label Competition Bureau is examining those complaints as part of a criminal investigation into allegations of unfair trade practices. Over the past month, the bureau has summoned several independent dealers, including Mercer, to Ottawa to give sworn testimony as a closed-door inquiry conducted by bureau staff. The inquiry stems in part from allegations last spring of price-fixing by the major oil companies, although more recently the focus has shifted to charges of so-called predatory pricing—selling goods at less than the wholesale cost with the aim of driving competitors out of business. "We take sworn statements at because this is serious stuff if borne out," said David Mercer (no relation to David Mercer), the bureau's deputy director of criminal investigations. "The evidence could be damning, or it could be referred to the justice department for a criminal prosecution."

The independents now account for almost 24 per cent of gasoline sales across the country. In Manitoba, where they are strongest, independents hold almost 25 per cent of the market. "We've got a good

balance between majors and independents in the West," said Stuart Murray, president of Winnipeg-based Dano Gasoline Corp. Ltd., which owns 73 service stations in the four western provinces. "You look at some of the things going on in the East and you shudder!"

The eastern independents contend that the major national oil companies—Esso, Shell and Petro-Canada—and their regional counterparts, Ultramar and Irving Oil, Montreal and Irving Oil Ltd. of Saint John, N.B., have put pressure on them by tightening the spread between wholesale and retail prices. "We're just trying to survive," says Gilles Girard, a general manager of Mir Cos Ltd., an Ottawa-based dealer that has closed 14 of its 73 Ontario and Quebec stations in the past two years.

Despite their willingness to testify, many independents question whether the Competition Bureau is capable of rising to the major oil companies. They point out that the last federal inquiry into the oil industry spanned 15 years, from 1973 to 1988, but left the status quo intact. As a result, the independents are lobbying the Quebec, Nova Brunswick and Nova Scotia governments to prohibit oil companies from selling gasoline at less than the wholesale cost. Similar laws already exist in more than 30 U.S. states, including Florida and New Jersey. A trade association representing small Quebec gas retailers has even hired Washington lawyer Robert Sussman, an expert on the U.S. petroleum industry, to advise them. "The laws are not used very much, but the fact that they are there keeps everybody honest," says Sussman.

The major oil companies, some of which have sent representatives to testify at the Competition Bureau inquiry, flatly deny that they are attempting to push out independents. Robert Paterson, a marketing department manager for Toronto-based Imperial Oil Ltd., Esso's parent company, acknowledges that the majors between refinery and retail prices have narrowed, but says the reason is that Esso and other majors have reduced their retail operating costs by closing low-volume stations, instead of self and reselling fuel-delivery vehicles. He rejects any suggestion that the majors have allowed prices at the pumps to fall below wholesale levels in order to hurt the independents.

In fact, Paterson says, the entire eastern Canadian gasoline industry has suffered because of a latter price war. The battle, which briefly drove pump prices in Montreal to 23 cents a litre, began in earnest on June 15 when Ultramar announced its Value Plus program, promising to match any competitor's price. Says Paterson, "These things have been going on for 20 years."

Although the independents share at the market basket changed over the past few years, they contend that profits have been razor thin because the majors have reduced their own markups while reluctantly raising wholesale prices. In 1992, Imperial led the way in

abandoning the long-established industry practice of giving independent dealers 10 days to pay for wholesale purchases. The result, it went on to 10 days, even though other customers, such as trucking firms, were still allowed 30 days to pay. "That has been devastating," said Alan MacEwen, who operates a chain of 75 gas stations from Montreal, Ont., 70 km east of Ottawa. "They did that for one reason or another."

In some cases, the big companies have refused to renew supply agreements with independents who previously sold gas under the Esso, Shell and Petro-Canada brand names. Dealers who cannot meet the new sales-volume thresholds must find new sources or go out of business. Graham Smith, head of the Retail Gasoline Dealers Association of Nova Scotia, says the thresholds have been a major factor behind the closure of 150 service stations in the province since 1991, reducing the total to 780.

Dealers of service stations have managed to stay afloat by entering supply agreements with independent distributors. David Collins, vice-president of Wabaco Fuel Co. Ltd. of Truro, N.S., said that his firm, which rarely self-headers fuel, has built a chain of 40 gas stations in Nova Scotia and New Brunswick by striking deals with operators that the majors had dumped. But price wars with Irving, Ultramar and Petro-Canada have jeopardized the future of some of those locations. "For 28 of the first 38 weeks this year, the retail price has been below my wholesale buy price," said Collins. "I'm going to have to drop it to 30.3 cents a litre near some of our big rivals and look for a loss."

Motorists, of course, have nothing lettered as a price war—much less why the independents do not expect much public support. Still, they warn that consumers will face higher prices if the majors succeed in pushing them out of the market. As a sign of what might be in store, they point to Grand Falls, N.B., a town of 16,000 that has 30 service stations—all owned by large oil companies—where the independent closed a year ago—now a town where the most costly gas in the country.

This summer, regular unleaded sold in Grand Falls for 69.9 cents a litre, even though the price less than an hour away was as low as 66 cents. The issue disappeared by triggering a consumer revolt. A group of Grand Falls residents formed an organization called Newfoundlanders Against Gas Gouging and succeeded in forcing all but one station to lower its price by a half. Within days, the other stations cut their prices to 63.9 cents a litre. "The oil companies have an obligation to give us a fair price in all our towns," said organizer James Courtney.

The major oil companies respond that in any market prices occasionally rise too high or fall too low. They insist, however, that even as a group they are not powerful enough to control the market. The independents are equally adamant that the big oil companies are as corrupt. "We're being squeezed out like toothpaste in a tube," said Collins, who has been unable to appear before the Competition Board inquiry. "If you want to know what happens when you don't have competition from the independents, you begin to @ cent a litre." That may be conjecture, but one thing is certain: the war of words between independent gas dealers and the majors in Eastern Canada has become as ferocious as a price war at the pumps. □

## FUEL FOR A FIGHT

Major players in Canada's retail gasoline market (as of June, 1996)



ent local stations, an Irving outlet cut its price by 3.5 cents a litre. Within days, the other stations cut their prices to 63.9 cents a litre. "The oil companies have an obligation to give us a fair price in all our towns," said organizer James Courtney.





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Deirdre McMurdy



## The Bottom Line

### The polarized economy

**W**hen they are glued together, world fragments often make a big picture. So it is with two recent—and apparently unrelated—events. One is the flap over the Federal Reserve Board's decision to leave U.S. interest rates untouched. The other is a new report from KPMG management consultants revealing that Canadian executives have taken an average of \$770,000 annually—38 per cent more than three years ago.

In fact, these events are closely connected. And together, they paint a disturbing portrait of an increasingly polarized North American economy.

The Federal Reserve Board's decision not to raise interest rates last week was, respectively significant. Political lightning-bolts, it marked a clear victory for a relatively radical new notion: that a major world economy can withstand rampant growth and a slight labor supply for an extended period without fueling inflation.

According to this view, the U.S. economy can be allowed to run wild and free because the traditional "wage push"—a large contributor to inflation—is no longer a threat. That's because unemployment is weakened and workers are well terrified of losing their jobs. The globalization of production also means that jobs can be relocated fairly easily to the most productive, cost-conscious environment.

At the same time as wages stagnate, however, executive profits are reaching record highs and executive compensation is soaring. Much of these gains are attributable to reckless downsizing and layoffs over the past several years. Equity markets have rewarded companies that boost their bottom lines with cuts. CEO salaries are now commonly linked to performance through stock options and other incentives. So the stronger the cuts, the stronger the stock, the bigger the payout.

To a great extent, this means that the post-recession recovery has largely been accomplished on the backs of workers and

their families. More important, it means that the interests of workers and corporations have begun to diverge sharply. And the gap between rich and poor is quickly widening.

This raises some serious questions about the durability of the neo-classical capitalist ideal which has underpinned the North American economy and society since the end of the Second World War. It also raises some troubling prospects for the future.

As the fortunes of workers dwindle, established economic and social structures are inevitably weakened. After all, since the 1920s, mass production and mass consumption have been the heart and soul of our middle class society.

But consumer confidence has already been ravaged by job anxiety and record levels of personal debt. And it's showing few signs of rebounding to previous levels.

The fall of this downward shift is already reflected in the decline at the welfare state, which was built on generous postwar assumptions of eternal prosperity.

In the long-term, such polarization is rather healthy. Healthy forms of economic activity require basic commercial law and other kinds of infrastructure. But they also depend on a shared sense of moral community, an unwritten code of ethical standards that contributes to a basic level of social trust. Through steady layoffs and ruthless rationalization, the sense of moral community between workers and their employers has been seriously eroded.

This is more than an abstract end. From a purely practical standpoint, social trust reduces what economists refer to as "transaction costs"—the cost of negotiation, regulation and enforcement. That allows an organization to structure itself and allocate resources in the most efficient form, one unencumbered by excessive contracts, litigation and bureaucracy.

As these seemingly random fragments of change coalesce, the big picture is beginning to emerge. And so let it's a rather frightening postmodern landscape.



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## Business NOTES

### GENERIC PROZAC

Three drug companies received the go-ahead to sell cheaper look-alike versions of Prozac, dealing a blow to its manufacturer, Eli Lilly Canada Inc. The court ruling allows Novopharm, Apotex and Nu-Pharm to immediately start selling the drug, used by 20 million people worldwide to treat depression. Eli Lilly, which sells \$100 million worth of Prozac in Canada each year, vowed to fight on.

### FUNERAL BATTLE HEATS UP

Funeral-home giant Service Corp. International continued to haul rival Lowen Group Inc. of Burnaby, B.C., with the prospect of a takeover, despite Lowen's rejection of a \$59-million offer. Houston-based SCI, the world's largest funeral-home operator, said it will "actively explore ways to complete the transaction," regardless of an antitrust investigation by the state of Florida.

### CLARK TURNS ON TO CITY

B.C. Premier Glen Clark endorsed an application by Toronto-based City TV to launch a new Vancouver channel. The unusual move sparked protests from opposition leader Gordon Campbell, who accused Clark of helping an NDP ally, Vancouver video producer Sherry Lunny. Campbell and Lunny have since sued the City's parent company, CHUM Ltd. of Toronto. Four other companies are seeking licenses in the Vancouver-Victoria market, including CanWest Television at Winnipeg, and Rogers Broadcasting at Toronto.

### ULTRAMER MERGER

Ultramar Corp. of Greenwell, Conn., announced a \$2.1-billion merger with Diamond Shamrock Inc. of San Antonio, Tex., creating one of North America's largest independent oil refining and marketing companies. The deal will strengthen Ultramar's network of 1,400 gas stations in Central and Eastern Canada and fuel Diamond Shamrock's growth in the U.S. southeast, the companies said.

### MANULIFE EYES ALTAMIRA

Manulife Financial, Canada's largest insurance company, is eyeing a takeover of Altamira Management Ltd., the country's 10th biggest mutual-fund company. Manulife, based in Waterloo, Ont., already owns 30 per cent of Altamira, which has \$18 billion in assets.



Raceworthy with \$715,000. Formula: no high-end cars anywhere!

## Why Bay Street's big wheels are riding high

As if to be a broker during one of the biggest stock-market booms in years, trading is so lucrative for some of the boys and girls of Bay Street these days that luxury-car dealers in Canada's financial capital clamor keep up with orders for Porsches, Jaguars and BMWs. Dealership sales are especially brisk, a fact of year when brokers traditionally receive their largest quarterly bon-

uses. "There are no high-end cars to be had anywhere," says Peter Noseworthy, a salesman at Dovedale Fine Cars in Toronto.

Stockbrokers in other provinces are also in a buying mood. "We do hear it from the mouths of stockbrokers," says Ron Bushworth, a general manager at Carter Motor Cars Ltd., a Vancouver, British Columbia, Ford, Honda, and Bentley dealer. "But it's not anything associated with a particular wave of the year."

It is little wonder that brokers are feeling so acquisitive. The securities industry's profits soared to \$287 million in the first six months of this year, more than three times the amount rung in during the first half of 1995.

The benefits of a high-flying market are rubbing off on executives, as well. A survey by KPMG consultants found that CEOs earned an average of \$776,000 last year, 30 per cent more than in 1993. Executive pay accounted for such of the increase, rising a whopping 41 per cent to an average of \$264,900.

### SPENDING Falconbridge chief dies

Frank Pickard, the hard-core chief of Falconbridge Ltd., who audaciously took on Inco Ltd. in the battle for Polytech Bldg., died of a heart attack at the company's

Calabash copper mine in Chile last week. Pickard, 65, was a Falconbridge lifer.

Pickard was credited with aggressively expanding Falconbridge, particularly by taking the company into South America. Falconbridge's current chairman, Alan Birk, is an interim CEO while it searches for a successor to Pickard.

death, Pickard said the start of his success was never better, down it transfer.

Pickard was credited with aggressively expanding Falconbridge, particularly by taking the company into South America. Falconbridge's current chairman, Alan Birk, is an interim CEO while it searches for a successor to Pickard.

## Adventures in takeover land

It looks as though the Peaky Little Piggie wants to swallow Heber the elephant. Golden Brides Family Entertainment Inc. of New York City—North America's largest publisher of children's books, with such titles as Peaky Little Piggie and Fat the Piggie—has offered \$540 million for Toronto-based Hebraia Ltd. Hebraia, Canada's largest animation house,



Hebraia: House of cultural wealth.

produces such cartoon series as Heber, The Adventures of Tootie and Rabbit. Both companies say they hope to reach agreement by the end of October.

The offer is coming under fire from cultural watchdogs such as Mel Hurtig, founder of the Council of Canadians. Under free trade, he says, "we have seen massive cutbacks in cultural spending while cultural companies are taken over by foreigners."



## The latest twist in phone fraud

The young man who telephoned Doris Link at her home in Toronto last April had good news to report and her husband, Jack, both in their 80s, had \$100,000 in a lottery. Although neither could remember contacting the contest, the caller was emphatic. All they had to do to claim their prize was forward a certified cheque or money order for the tidy sum of \$996 to the lottery's Montreal headquarters to cover "administrative costs." The Links mailed a cheque, and a prize did arrive—but it was not \$100,000. Instead, the couple received a cheque purported to be of an exact American origin, with a fraudulent certificate of authenticity. "They're smart talkers," deduced Jack Link, sounding more resigned than angry. "I hoped that this would be more than that."

The Links were lucky in at least one small, every year, hundreds of North American lose their entire savings to similar telemarketing frauds. Armed with lists of potential targets, unscrupulous con artists are busy convincing tens of aged victims and reeling in their marks with the promise of easy money.

Last year, an estimated 40,000 Canadians lost money in telemarketing schemes—about twice the number in 1994. All told, says Ontario Provincial Police Staff Sgt. Barry Elliot, averaging victims were lured to the tune of \$80 million. "There is still a hard core of bad guys out there," says Elliot, who oversees Project Thelma, a national task force based in South Bay, Ont. "There is so much money worth they are prepared to take the risks."

While telemarketing fraud has been widespread for at least two decades, the pitches keep changing. Stock investment schemes and gem sales—popular in the early 1990s—seem to be less prevalent now. "These guys are extremely good at marketing," says Elliot. "They adapt to the environment and develop pitches that are effective at the time." According to Ekanebe-Osere, the "price pitch" is the bingle-bangle of the moment. Victims are usually told that they have won gifts such as money, diamonds or cars, or even satellite dishes. In order to win the prize, however, the recipient must pay a fee, forward sales or buy a cheque instant at a grossly inflated price.



Jack and Doris Link: seniors are the most frequent victims

Scamsters simply call people at random from a phone directory, but most employ more sophisticated methods. A common ploy is to mail out thousands of phony contest entry forms. Participants who fill them out not only lose the \$20 it costs to enter a contest, but are later hit with a congressional phone call and a request for money to secure the winnings. "The bad guys tell people after they hang up," says Elliot, "and then they keep the name and they use them for another pitch."

More often than not, the pitch is directed at seniors. But only about 10 per cent of targeted people actually report the crime. "They don't disclose it because it is too embarrassing," says Sgt. John Shaw, head of Windsor's nonprofit Victim Support Network. "But I know it happens because every time I mention it, I get questions. They say, 'Would you describe that

to me again?' Then I see the look on their faces."

Another complicating factor is that telemarketing calls rarely carry out their business in the jurisdiction where they are based. Police say they know of 30 active scam artists in Canada, all located in Montreal. At 39, says a police officer, Quebec, "The Quebec position is unless there are victims in Quebec we will prosecute," says RCMP Staff Sgt. Fred Pratt, an Ottawa-based fraud specialist. At the same time, the increasing number of international scam calls to U.S. and Canadian authorities to sign a joint commitment, on Sept. 10 to crack down on deceptive marketing practices. "We are seeing more telemarketing on the international front," says Michel Loubé-Lefebvre, an industry Canada official who helped to draft the agreement with the U.S. Federal Trade Commission. "The illegal telemarketers are in fact over-eagerly participating in locating in another one."

Whether tougher enforcement will actually eliminate telemarketing fraud is another matter entirely. One factor telemarketers who have served time in prison say he is convinced that there will always be phone scammers. "These guys are all psychopaths looking for their next mark," says the inmate criminal, who asked not to be named for safety, however, that they are only successful "when they appeal to people and their sense of greed." At a crowded telemarketing call he became angry, Jack Link knows what he would do. "I'd call them liars, and I'd hang up the phone on them."

—JONATHAN HARRIS

## CROOKED CALLS

Reported cases of telemarketing scam fraud in Canada



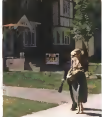
## Plain and simple

It starts with the phone book for sheer leading enjoyment in the much-analyzed mutual-fund prospectus. With its acres of fine print and mind-numbing prose, the typical prospectus is ignored by most would-be investors. Under securities regulations, fund companies are supposed to provide customers with "full, true and plain" information about the fees they charge and the investment strategies they follow. "That's the plain part," fund companies have really dropped the ball," says John Wadsworth, president of Toronto-based Simplified Consciousness Group Inc. "Who to blame?" The lawyers, of course. Fund companies who fear being held to account for complete disclosure have abandoned the prospectus to legal eagles and their tangled web of legalese. Wadsworth and other crusaders for clarity are helping an increasing number of fund companies use clear language to make



prospectuses more readable. "You'll see every fund company working to much clearer documents over time," says Harold Hards, chairman of the Investment Funds Institute of Canada.

Albanes Management Ltd. and Maclean Financial Corp. were among the leaders, coming out last year with new and improved "fund summaries" as Hards calls them. In the United States, some fund companies are experimenting with the "profile prospectus," a two-page summary that may be used as a guide for investors, says Clarence Stronberg, who last year completed a 300-page report to the fund industry for the Ontario Securities Commission. If it does more in two brief summaries, the idea, "it just puts a glass on a glass."



Big decision—the computer has an answer

## To rent or to buy?

A borrowing costs fall, an increasing number of tenants are wondering whether it is time to plunge into the housing market. To help them decide, the federal government's Canada Mortgage and Housing Corp. has developed a computer spreadsheet that lets people determine for themselves whether buying is more advantageous given their individual financial circumstances. The software, which is compatible with Lotus 1-2-3 and Microsoft Excel, sells for \$20. (For information, call 1-800-988-CMHC.) Users can enter an array of personal data, including the amount of money available for a down payment, monthly rental costs, maintenance expenses and personal taxes.

To show how the software works, CMHC market analyst David Dalshaw created a fictional Ottawa couple—John and Jane—who paid down \$25,000 on a \$250,000 home, then broke out on eight per cent mortgage with monthly payments of \$1,060. He also assumed that the market value of the house remained flat for five years, then rose by 1.5 per cent annually. Meanwhile, the renter in Dalshaw's example paid \$1,315 the month, which also increased by 1.5 per cent annually. After five years, the owner was ahead by \$5,775. But after 15 years, the homeowners were ahead by \$22,764 after 25 years their savings totalled \$131,674. According to Dalshaw, CMHC is making the program available because many analysts were generalizing about the advantages of renting over owning. For John and Jane, at least, owning was by far the better investment.

## Wheels of fortune

The high cost of driving is getting even higher. Canadians will pay an average of \$7,313 to own and use a vehicle over the next year, according to the Canadian Automobile Association. That works out to about 41 cents a kilometre for a compact car driving 18,000 km a year, or 43.3 cents for a minivan. Financing costs increased 12 per cent—due to higher purchase prices—while maintenance rose 6.2 per cent and fire prices went up 5.5 per cent.

## Fund ownership soars

Forty per cent of Canadian households have money invested in mutual funds, a new survey shows. Among households with income over \$75,000, the rate was 70 per cent. Fund ownership was highest in Ontario, the Prairies and British Columbia and lowest among Quebecers. The results are based on interviews with 8,300 Canadians by Toronto-based Marketing Solutions.

## Percentage of Canadian households owning mutual funds



## Banking by baffle

The Royal Bank is making some of its publications more accessible to people who are blind and deaf. The bank now offers a variety of brochures, employment applications and banking agreements on audio cassette and computer disk, as well as in Braille and large print. The materials are being produced by S-Basis Research & Development Inc. of Ottawa, whose president, Sherry Agosta, is legally blind. The Royal says it was the first major bank to provide accessible financial statements in Braille five years ago.

**FORECAST:** HOTEL OCCUPANCY After a slump in the early 1990s, hotel occupancy rates continue to rise in most large Canadian cities. The Conference Board of Canada predicts an average one-per-cent increase next year, following growth of 2.5 per cent in 1995 and 1.6 per cent in the first half of 1996. With demand climbing, room charges will also increase, by an average of three to four per cent in 1997. Occupancy rates in major centres currently range from 72 per cent in Toronto to 61 per cent in Halifax and Quebec City.



A photograph of two vintage computer workstations on a wooden desk in a dimly lit room. The workstation on the left features a CRT monitor with a 'COMPAQ' logo at the bottom, a keyboard, and a mouse. The workstation on the right has a similar setup but with a more complex base unit. A window with a grid pattern is visible in the background, and a banana sits on the desk between the two setups.

A photograph of two vintage computer workstations on a wooden desk in a dimly lit room. The workstation on the left features a CRT monitor with a 'COMPAQ' logo on the bezel, a keyboard, and a mouse. The workstation on the right has a similar setup but with a more complex base unit. A window with a grid pattern is visible in the background, and a banana sits on the desk between the two setups.


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**COMPAQ**  
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# Peter C. Newman

## A philosopher's dream of making work fun

**A**s more and more jobs disappear along with the companies that once provided them, the idea of being employed by a large organization suddenly seems risky, if not obsolete. The alternative—working at home for yourself—is an attractive choice for those who can master the growing technology.

But the majority of Canada's three million-plus unemployed and underemployed fall neither category, and it's that group that finds itself not knowing where to turn, or how to help itself. Now, an Austrian-born American philosophy professor (and Dr. Phil) has come up with a practical notion of how to reduce our reliance on the overly politicized concept of jobs and extend and invigorate our biological need to work.

"People have become so desperate that they're even willing to listen to a philosopher!" he gapes. He accepts a mixture of Sigmund Freud and Brechtian twang. Bergmann opened his Center for New Work in Flint, Mich., where he did most of his research in the early 1980s, after he began helping General Motors deal with the thousands of laid-off workers from 1981 to 1986. He now runs the Center for New Work in nearby Ann Arbor, and his timely gospel has spread to Witten, East Germany, where Bergmann is advising Götz, a large film manufacturing company, as the most humane way to displace 15,000 workers so that they will be able to keep some personal employment and also have time to pursue a "calling" of their choice. And in Canada, he is working with inner-city youth to develop Vancouver, where his progressive ideas are being implemented as an experimental basis.

Bergmann resembles a mad scientist as a Mel Brooks movie who has discovered electricity, but isn't quite mad. At the university of his discipline, somewhere between clinical detachment and clinical transcendence. "The job system is just that, a system—we invented it, we can change it," he told me during a recent Vancouver interview. "With wisdom and foresight, we can fashion from the historic disintegration of the job culture a more cheerful, humane, vigorous and hopeful approach that will combine material abundance with human fulfillment. For more than two centuries, The Job has been a kind of tyrant that has reduced human beings, or taken their potential, enthusiasm and discourages if that is how, thanks to advancing technology, we stand on the threshold of being liberated from that tyranny and, instead of fearing it, we should be dancing in the streets and celebrating."

That's easier said than done, but Bergmann advocates a revolutionary new approach that reaches far beyond the standard work-sharing and work-extending remedies. He believes that what ultimately counts is how we live, not how we work. He advocates personalist subunits tied to specific goals for personal and profes-

sional growth. These micromissions throughout workers' careers would be tied to both the prevailing job market and the stage of each individual's development and financed through direct corporate contributions, taxes, and quasipublic foundations.

At GM in Flint 10 years ago, his innovative idea of allowing some of the laid-off workers to be put on a six-month-on, six-month-off schedule, receiving (like *Married*) pay a year—was accepted by the company on an experimental basis. Most of the men and women who were on these paid sabbaticals started up small businesses, returned to school or grew their own vegetables. "Given the chance," the professor concludes, "people work hard and happily at things they deeply, passionately want to do. The right kind of work—as opposed to jobs—gives people more energy, instead of draining it."

Bergmann is convinced that his new approach is the wave of the future. He sees workers and employers co-opting in mutually beneficial pursuits. The bosses will be free to use cost-saving, productivity boosting automation techniques to their maximum. In return, they will agree to piece out the remaining jobs in a rotating basis and encourage, and sometimes help finance, their employees to follow meaningful activities of their own choosing.

Interestingly, this would be a return to some of Henry Ford's intentions when he first pioneered the mass production line to build his Model T cars in 1903. During some of the next decade's down sales cycles, the workers he temporarily laid off were offered free farm lands to help feed themselves. Whenever he needed them again, Ford had a trained workforce at his disposal. (Bergmann's urban version is housing people plant root gardens and other self-sufficiency activities.)

The New Work approach doesn't fit all problems areas, but what ever its shortcomings, Bergmann is convinced that the alternatives are much worse. "If we don't make some fundamental adjustments in the work scene," he predicts, "the prospect is for an increasingly wealthy elite oppressing a growing, embittered mass of impoverished workers fighting the days over fewer, increasingly demeaning jobs. We face the prospect of a rapid increase in violence that could easily escalate into large apocalyptic confrontations between the rich and poor. Fortunately, the corporate world has come to see it cannot go on like this. If they buy everybody out, they'll lose their own markets. There won't be anyone left to sell to."

Bergmann freely admits that his scheme for a new, enlightened work ethic will come true only gradually, with people slowly opening themselves up to a million different fronts to being liberated from their "job servitude." His line in the sand is simple and persuasive. The only sure way to make the job market one we want to try to fix is to make it to improve it.



# He searched high and low for the perfect barrels, then set fire to them.



To J.P. Wiser, charring the inside of a whisky barrel was a sort of burnt-offering: you sacrifice a bit of the barrel for the greater good of the whisky. By charring his barrels, J.P. made it easier for whisky to get right into the wood. And *vice versa*. The result was a velvety smooth, charcoal flavoured spirit with

a rich amber colour. It's a process we still follow to this day. In fact, you can rest assured that every single drop of Wiser's De Luxe has spent a minimum of 10 long years maturing in a charred oak cask. Just as J.P. would have done it. When it came to making the very best whisky, he was Wiser.



## HE WAS WISER.







## The RCMP shuts down a major illicit drug lab

According to Rosa, the hidden lab is one of the largest ever uncovered in North America.

Late last week, that surveillance suggested that several of seven key suspects were preparing to leave the country. And on Sept. 26, investigators secured a warrant to search the suspected hit and several other locations in and around Cogitiam. The RCMP's entry team—one of three in the country that specialize in searching suspected drug labs—was prepared for risk.

sophisticated drug production centre yet uncovered by police in Canada. But investigators say it is unlikely to be the last. "These are the drugs of the future," observed Ross. But for at least one lab, the days of mailing and shipping drugs with impunity are now definitely in the past.

**CHRIS WOOD** in *Coventry*

BC lab may turn out to be the most polluted drug production centre yet tested by police in Canada. But investigators say it is unlikely to be the last. "These are drugs of the future," observed Ross, and at least one lab, the clasp of making tripping drugs with expertise are now active in the west.

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LAW

# At risk of death

A Texan rejects plans to operate on his daughter

Two-year-old Rachel Stout was writhing in agony when her aunt, Jane Gurney, visited her home in Fort Worth, Tex., in July. Gurney pleaded with Rachel's father, Steve Stout, to take Rachel to a hospital. When she returned several days later, doctors in a Dallas hospital had quickly determined that the drastic measures needed as a prelude to an immediate operation to remove her severely herniated colon before it could rupture and possibly kill her. But Stout would not grant his permission, and on Sept. 3, as state officials sought a court order to allow the surgery, he spirited Rachel to Toronto and into the hands of a controversial neurosurgeon. Last week, Rachel was back in a hospital, in Toronto, undergoing treatment for an infection and again being advised to have her colon removed. But her father—portrayed either as a hothead or a courageous defender of the freedom of choice—was crying out his fight to the courts. There, he was ordered to return Rachel to Fort Worth this week, where the Texas courts will determine whether he can seek as alternative treatment.

Stout, an engineer, flew his daughter to Toronto because he had heard of neurosurgeon Dr. Rav Degen through pro-life friends in Dallas, Texas. They arrived to discover that Degen, who was convicted earlier this year of defrauding two patients, was serving a 90-day prison sentence on weekends. Between sessions in jail, Degen visited Rachel with laser light angiography and doses of acetaminophen, a derivative of aspirin, a natural substance commonly used to soothe aches and pains, among other things. But then an infection developed from an intravenous tube that was left in her body when she left the Dallas hospital, and Stout sought help at

the Hospital for Sick Children on Sept. 9. The Toronto surgeons, like their colleagues in Texas, determined that Rachel's colon had to be removed by a process under which a new one would later be rebuilt from her intestines. The Children's Aid Society, alerted by a children's welfare agency in



Stout, sporting his 15-year-old to Canada for alternative treatment.

Texas, obtained a court order giving it protective custody of the girl. But in Ontario family court, Stout persuaded Judge David Mann to accept a plea that would transfer Rachel back into the custody of child-care officials in Texas. There, Stout will seek to have Rachel obtain alternative treatment at the famed Mayo Clinic in Rochester, Minn. "Steve is a hero at Rachel's eyes," her mother, Pat Stout, said in Texas, "because he has respected her desire to keep her colon

Stout also emerged as a hero to practitioners of alternative medicine in Texas who believe that the government has no right to interfere in what they consider should be purely a family decision. At the Texas court last hearing, dozens of specialists in alternative treatments testified that alternatives to surgery do exist for alternative colitis—including Degen's laser and also more potent. But Rachel's doctors countered that she had not responded to non-surgical treatments in the past. Rachel's plight also divided members of the Stout family. Gurney testified that Rachel was living in "absolute squalor" when she visited her and was barely able to stand. "I truly felt that she was going to die," she said.

While Rachel's case is sensational, there is plenty of legal precedent. Kristina Rimmey, chief legal counsel for the Children's Aid Society, said that the Supreme Court of Canada has consistently upheld the right of the state to intervene on behalf of children who are endangered. It has also ruled that individual rights outlined in the Charter of Rights and Freedoms do not supersede the rights of the state to protect a child. The U.S. Supreme Court has followed a similar line. "It happens all the time," says Jack Simpson, who teaches family law at the University of Texas. "The facts of Rachel's case are just a little more colorful than normal."

Still, doctors face growing challenges over the question of consent. Christine Harrison, director of bioethics at the Hospital for Sick Children, says that people feel empowered to take control of their own health. The Quebec Superior Court helped legislate that trend in January 1992, when it ruled that a Quebec woman known as Nancy B. who was suffering from Guillain-Barre syndrome, a rare neurological disorder, had the right to discontinue her life-support systems. And many parents reject treatments prescribed for their children. "This ethically there has to be a higher standard when we're doing for other people," says Harrison. "It can be a hard decision for myself, but I have to be more careful in my decision-making for other people." That is exactly what occurs in Texas and Ontario as asking of Steve Stout.

TOM FENNEL

# What's Around the Bend for Travellers on the Information Highway

By Peter Gormale  
and Martha Van Zee

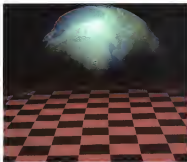


PHOTO COURTESY OF CIBC CANADA

For the past few years Canadians have been hearing more and more about the information highway. But what exactly is it? And more important, what will it provide tomorrow's "electronic traveler"? If you were asked what the information highway is, how would you respond? Many might say it's the Internet, the worldwide network of computer networks. Others believe the highway to be the global net work of telephone lines on which the Internet is based. Both answers are only partially correct, the information highway is much more than any single communications medium. According to the Canadian Business

Telecommunications Alliance (CITA), the nation's only association of business telecommunications customers, the information highway is a global information infrastructure, a seamless globe-encompassing web of interconnected networks and services capable of transmitting voice, text, data, graphics and video to a broad range of customers.

In other words, just about any telecommunications or broadcasting service moving information from one place to another is part of the information highway. Cable TV, telephones, fax machines, bank machines, cellular phones and paging services each operate on their own line of the quickly developing global infohigh.

But what interests most of us about the information highway is not what it is, but what it will offer. And according to many industry pundits it will offer a great deal. This fall, travellers (and would-be travellers) on Canada's Information Highway will get a chance to preview many of the new products and services soon to be available — as well as those available today — on the highway. From October 8 to 10, the CITA will host TeleCon'96. In Search of the Hitter App at the Metro Toronto Convention Centre. TeleCon'96, the country's largest telecommunications conference and trade exposition, will feature numerous tutorials, seminars, presentations and exhibits focusing on major telecom issues, technologies and services, as well as on the future of Canada's information highway.

## Preparing For Life On The Highway

As a direct result of the evolution of the information highway, several new and exciting information and entertainment industries are quickly emerging. These industries promise a plethora of advanced multimedia products and services to businesses and home consumers alike, all delivered via the information highway.

For these multimedia applications to reach their full potential, however, it is vital that consumers have easy access to sophisticated terminal equipment, the hardware that exists at each terminal, or end, of a telecommunications link. For most multimedia applications currently available, a personal computer, or PC, is





"Will a 14-year-old  
**hacker**

bring my company  
to its knees?"

**SECURE**

It can keep you up at night, the thought of some adolescent hacker, or, worse, a paid professional, creeping through your company's most valuable information. But if you keep your network sealed tight to avoid the Information Superhighwaymen, you'll miss out on all the resources and opportunities the Internet has to offer.

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the required terminal equipment at the user's end.

According to a survey conducted by Deloitte & Touche Management Consultants, upwards of 35 per cent of Canadian homes now have a personal computer. "And in Ontario that number is over 40 per cent."

"Due to the high penetration of PCs in Canada, it is reasonable to expect the Canadian (information highway) market to develop at least as quickly as [that in] the US, and perhaps in some respects to lead it," said Richard Lee, of Deloitte & Touche in Toronto.

Aware of the increasing number of PCs in Canadian homes, cable and telephone industries are quickly mobilizing, vying their sights on the promise of a variety of services via the information highway. Both communications juggernauts are undertaking major network modernization initiatives that will enable them to offer advanced services like movies-on-demand, electronic home shopping, distance learning and teleconferencing (working from home) within the next few years.

## Cable Companies on the Highway

Rogers Cable Systems Limited is working together with a number of Canada's other cable companies to put together an industry-wide venture that will provide high-speed PC access using existing TV cable. The premise behind this development is that data can move at much higher speeds through a coax cable (the cable that carries TV signals into a home) than it can through copper telephone wire. For example, if you use a conventional PC modem connected to a copper phone line to access the Internet or other on-line services (such as CompuServe or America Online), the average data transfer rate is 28.8 kilobits per second (kbs).

Using the Rogers suite of products, known as WAVE (it claims what cannot help but bring to mind images of surfing the Net), PCs are able to communicate with each other via special cable modems and coaxial cables at speeds between 128 kbps and 50 megabits per second

(mbps) — more than 1,000 times faster than at 28.8 kbps.

"WAVE is designed to share spectrum with signals already travelling into the home, office or school through existing TV cables," said Dave Samuel, President of Rogers WAVE, the arm of the cable giant responsible for tackling the interactive cable issue. "When you connect your PC to a cable-modem, we'll split your cable, and one part will go into the cable modem and another will go into your TV."

WAVE is a family of three separate products: WAVE iHome, WAVE iWork and WAVE iSchool. In the past year, each component has seen rigorous testing in various contexts across the country.

For example, a year ago Rogers set up WAVE iSchool, a service that provides students with high-speed access to a roped-off version of the Internet, in eight schools in North York, Ontario. Since then, the company has installed the system in



ADOLPH COURTESY OF COSE, CANADA

40 schools across Ottawa and London, Ontario, and Vancouver, B.C. According to Samuel, work is underway to increase the number of participating schools to 400 across the country within a year.

WAVE iWork has been going through beta-tests (just-ended trial runs) with a number of IBM employees in Newmarket, Ontario. With WAVE iWork, the IITAT is to provide virtual LAN (Local Area Network) connectivity between the home and office," said Samuel. This means someone accessing an office computer from home will be able to work at the same speed and functionality as another employee accessing the same computer from a location within the office.

WAVE iHome will display a screen on home PCs with icons for several on-line services together with icons of various information providers. "Currently, the screen employs simple hyperlinks to other web sites, similar to those found on any other web page," said Samuel. Future plans include links to multimedia-heavy sites — a luxury made affordable by cable's high bandwidth, seen by many as the Holy Grail of data transfer.

Of course, the next question is when will we be seeing all this new technology on our home PCs? According to Samuel, the bulk of the rollout should take place between late 1996 and 1998.

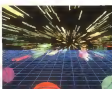
## Telephone Companies on the Highway

Canada's telephone companies, the cable industry's strongest competitors on the information highway, have also been laying plans for highway construction. In April 1994, Bellnor, the alliance of Canada's telephone companies, announced the Bellnor Initiative, a plan to invest \$6.5 billion over the next decade to upgrade the national network to support multimedia capabilities. It will also connect the local on-ramps of the information highway to communities, homes, businesses and institutions with fiber optics and coax cable.

MTS Advanced Inc., an operating subsidiary of MTS, Manitoba's government-run telephone company, has completed an internal project trial of a "community computing" set-top box that will transform this into PCs with online capabilities and direct access to the Internet.

The box will be used in an upcoming consumer trial in preparation for its market launch that will support a Manitoba-wide community computing initiative undertaken this year by MTS Advanced, called InfoManitoba.

The InfoNet set-top box will plug into a television and the telephone line. It will connect to the online world through the MTS telephone network, providing access with a hand-held device similar to a televi-



sion remote and an optional keyboard for typing e-mail messages.

When the service becomes available later this year, MTS estimates the price will be approximately one-quarter the cost of a comparably specced PC with 28.8 kbps modem access to the Internet.

Other Bellnor Initiative advances promise access to specialized databases containing detailed information about such things as hotels throughout the country and eventually around the world. As an example, a user might be able to call up information about rates, availability, special needs considerations, as well as illustrations showing the hotel's location on a map and its proximity to major landmarks. Multimedia distance learning will be made available to any student at any time from anywhere. Subscribers will have VCR-like controls over educational material stored in on-line video libraries. And, using the technology's videoconferencing capabilities, students will be able to participate in classes held from home with out leaving their PCs.

The list of planned services goes on and on: games, movies and music on demand, home banking and shopping, up-to-the-minute stock quotations, library services, ticket sales and government services are all in the offing.

To increase telephone line access speed to levels compatible with coax, telephone companies are working to launch a prototype system that promises "a quantum leap forward in the race to bring the information highway into the home."

Asynchronous digital subscriber line, or ADSL, is a new service announced last June with "lightning-speed" connections to the information highway over existing copper telephone wires. Bell says the

technology will transform existing telephone lines into high-speed, high capacity links that will carry graphics, text, video and other applications to the user.

"Right now, your telephone line uses less than one percent of its capacity," said John Macdonald, Executive Vice-President and Chief Technology Officer at Bell Canada. "With this new service, we will make use of the remaining 99 per cent. In fact, this technology will allow you to use either voice or file while downloading high bandwidth information."

"Consumers need a better on-ramp to the information highways," said John Sheridan, Group Vice-President of Business Development for Bell Canada. "Our customers want to get information they need faster. Bell will offer them the speed they need in the emerging information age."

Using an internet network card and an ADSL modem (both provided by Bell), customers will be able to use their personal computers to download information at 3.5 mbps, or roughly 52 times as fast as a conventional 28.8 kbps modem. Bell predicts the technology will quickly evolve to higher speeds: 6 mbps by the end of 1996 and speeds of up to 52 mbps, more than 1,800 times faster than standard modems, by 1997/98. Using our earlier example, the 5 Mb file would take a mere one-tenth of a second to download at this speed.

According to Bell, the trials, which began September 18 in Kanata, Ontario and St-Basile, Quebec, should last three to four months. Bell hopes to launch the service itself in early 1997.

## Government on the Highway

Canada's largest telecommunications outsiders, by far, are the country's governments. Both federal and provincial governments are working to put new information highway technologies to good use.

The most advanced government in this area is the provincial government in New Brunswick. Jerry Fowler, Assistant Deputy Minister of the Electronics Information

Highway for New Brunswick, helps lead a small provincial department that uses the highway as a tool to improve efficiencies in delivering government services and to increase economic opportunities in the province.

"Our department has several objectives," said Fowler. "We are working to attract investment into the province, to help the growth of the information technology industry within the province, and to ensure the New Brunswick government is a model user of the available technologies." Fowler's department is also working toward bringing the entire population of the province to a higher level of awareness about the information highway and how it can be used.

One result of the province's efforts is what Fowler calls "access points." These on-ramps to the information highway are located in schools, public libraries, town halls and other public buildings, and provide Internet access to those residents who wouldn't normally be able to afford the necessary hardware.

"The public can come into these build-ings to access the Internet and the World Wide Web," said Fowler. "What we're trying to ensure is the avoidance of a 'have-haves-not' situation; we want every resident of New Brunswick to have equal access to the information highway."

Thirty-five access points have been approved so far and are in various stages of implementation. Fowler's department hopes to spend another \$5 in October and another \$20 next year.

Another result of the department's work is Service New Brunswick, a program through which some 60 government services can be provided over an on-counter in small government offices throughout the province all connected via the information highway. Through the government network, residents in rural New Brunswick can access the same government services available to citizens in urban areas. "Our goal is a setup where no one in the province has to travel more than 30 kilometers to reach a government office," said Fowler.

There are currently seven such offices throughout the province, and the government hopes to have a total of 17 operational over the next couple of years. The



government claims the rate of satisfaction and approval for the program among New Brunswick residents is over 90 per cent.

To continue the re-evaluation process further, the province has been installing into New Brunswick multimedia kiosks in easily accessible places throughout the province, such as shopping centres, convenience stores and gas stations. Using these kiosks residents can, among other things, request information about government programs and services, renew drivers' licenses and hunting and fishing licenses, and pay property taxes. "Eventually we hope to make all 50 of the Service New Brunswick services available at every Info New Brunswick kiosk," said Fowler.

The department's mandate to promote technology through government and through the private sector ensures that government becomes a model user of the technology. "We don't have a choice," he said. "We don't have the financial resources that were once available. Yet we still want to provide the same level of high quality service. We also want to increase the number of these services and make them readily accessible to every resident in the province. The technologies that are a part of the information highway are the tools we are using to achieve those goals at a cost that is equal to, or lower than, previous costs."

In some cases, the costs of government services have been cut to two-thirds of what they were before the Service New Brunswick initiative.

## Banks on the Highway

In today's fast paced world it is often difficult to find the time to tend to the more routine aspects of one's life. So involving personal finances. Consumers no longer have the time to stand in line at the bank on their lunch hour, in fact, the lunch hour itself is fast becoming a thing of the past. Enter on-line banking. Canadian banks and trust companies are recognizing the needs of consumers for more effective ways to do business and are responding through the convenience of



PHOTO: PHILIP J. COOPER/STYLING

modern telecommunications technology. Banking is quickly crossing the virtual divide as more and more banks begin to offer on-line access to customers. Consumers can balance their accounts, move money between various accounts and pay their bills, all with the simple click of a mouse by using their home computer and a modem. There are also certain systems that enable consumers to download financial data, including credit card activity, directly into their home PCs.

Canadian banks have also been testing an interactive system that consists of a kiosk with a touch-screen monitor, keypad, bank card or credit card reader and a printer. The system is designed to facilitate a variety of banking transactions, including making investments, applying for loans and reviewing mortgage options.

For those who still prefer the more "personal" side of banking, a customer at the kiosk can be connected to bank personnel by a modem-equipped computer. Voice and video images are transmitted via a telephone line between the kiosk and the bank.

Proponents claim the advantages of on-line banking are endless, providing customers with a much greater degree of control over their money, as accounts can be accessed any time from virtually anywhere. Consequently, the service has great appeal to people who travel. Time savings are also substantial as writing cheques and balancing accounts are reduced to pressing a few buttons.

High-tech banking is also providing safe and convenient alternatives to carrying large amounts of cash through the use of direct payment cards and "smart card" technologies.

Now widely used across the country, direct payment cards allow customers to transfer money directly from their accounts to a vendor's account. What's more, Scotiabank recently introduced Scotia 2000 Proactive, a new hand-held wireless device that enables restaurant and gas station patrons to pay for purchases using a debit or credit card without ever leaving their seats or giving their card to a stranger.

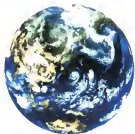
The Toronto Dominion Bank is testing an electronic commerce program that supports secure credit card transactions via the World Wide Web. The service will offer transaction management services and quick transactions directly to TD Bank.

It is estimated that as many as one in 50 Internet users have made a purchase using the Internet. Given that the recognition of the information highway's potential has only recently begun to spread, that number is sure to increase as banks continue to introduce services that allow consumers to take advantage of the convenience of on-line shopping.

"Indications are that the public is open to the concept and willing to try Internet shopping. Being able to offer consumers our products through alternative delivery channels is an opportunity to expand our service options," said Michael Thoren, Internet Application Development Manager for Statistics Canada, one of several participants in TD's pilot program. In addition to the convenience provided by debit and credit cards, "smart card" technology, now being tested in Guelph, Ontario, will soon be another alternative method of payment.

According to A.J. (AJ) McGill, Vice-President, Shared Value Cards at Royal Bank, one of two banks (the other being CIBC) launching Monex in Canada, the "smart card" is an innovation that will potentially change everyday spending habits across the country.

The Monex card is not a credit card; it is the latest step in the evolution of our ready. The card is embedded with a computer chip that stores the digital equivalent of cash and a security code allowing cash values to be transferred to the card from a customer's bank account using a Monex-compatible phone or an automatic



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\*This is a new feature that will be available to all Cantel customers by the end of the year. \*\*Minimum of \$1.00 per minute. International rates apply. All charges are in Canadian dollars.



ed banking machine. The card allows customers to make anonymous purchases, debit payments for any purchase amount, as well as personal person payments using a key-chain smart reader. And, unlike smart, the Mondex card keeps a record of transactions as they are made. For people who expect more information,

choice, and convenience from their banks, banking by telephone and computer will certainly make managing personal finances much easier. It's little wonder, given the increasing number of banking services being introduced using the information highway, that banks are the largest private-sector users of telecommu-

nications services in Canada. No matter how you look at it, the ribbon of electronic asphalt we call the information highway is here and it's spreading — quickly. And if what industry experts tell us is true, it's the road that will lead Canada to greater prosperity in the 21st century. ■

## TeleCon'96 (In Search of the Killer App)

For crying out loud, Canadians spend a lot of time talking on the telephone, more than nearly any other nation's population. In fact, our women (if telecommunication has upended the railway as the bond between the nation).

Regardless of whether telecommunication is actually the "glue" that binds us, a statistic one of our favorite industries. Telecommunication has been called Canada's leading economic driver. Certainly the various levels of government, including Canada's largest telephone company group, have become increasingly dependent on telecommunication to deliver services to Canadians more efficiently and at a lower cost. And businesses, where reform expenditures often rank second or third on the expense ledger, have learned that harnessing the power of telecommunication is a core component of competitiveness.

Given our growing reliance on this technology, it is surprising how little many Canadians know about it. May all wise telecommunication experts, quite simply, as the plume on their desks, it is true, but it is also much more.

Modern telecommunication encompasses the transmission of voice, data and video through a variety of technologies including traditional telephone lines, cable

television facilities, satellite microwave and the expanding wireless technologies.

The challenge today is not how to communicate, but how to do it in the most effective and efficient way.

For those Canadians responsible for delivering the solutions to their clients, help is just around the corner. This fall, the Canadian Business Telecommunication Alliance will host the country's premier telecommunication conference and trade exposition.

TeleCon'96, themed in Search of the Killer App, will be held from October 5 to 10 at the Metro Toronto Convention Centre. The event will attract approximately 10,000 people from across Canada and around the world.

The focus of TeleCon'96 will be on helping business, government and non-profit telecommunication customers learn more about the emerging technologies, their features and the impact they will have on business and society.

The five-day conference will feature more than 20 computer-aided professional development sessions covering key issues such as the information highway/Internet, dual/ATM, video processing, wireless/mobile communications and general telecommunication.

For more in-depth advice, TeleCon'96 will feature six full-day national seminars. Each seminar and tutorial will be led by an acknowledged expert in the

telecommunication field. In addition to the sessions and tutorials, TeleCon'96 features the country's largest telecommunication trade exposition with over 100 national and local national exhibitors exhibiting the very latest in products and services.

Another feature of TeleCon'96 will be the Information Showcase, a product conceptual and demo covered by the BCE family of companies, the Service owner companies and their Alliance partners. The Showcase consists of a series of "mini-fairs" where each representing a environment that is familiar to us: home, office, classroom, airport and so on, and featuring applications that use current or new future technologies in everyday ways.

A list of participants in this year's Showcase will include BCE family members such as Norad, Bell Sympa, Bell Canada, Mobilcom and Bell Mobility, as well as Alliance Partners, such as Panasonic and Motorola.

Highlighting the conference program on Thursday, October 10 will be keynote speaker Peter G. W. Keen, executive director of the International Center for Information Technology.

(ICIT), an independent research organization is founded to assist multinational corporations on the effective planning, design, implementation, use and impact of information technology. He is an advisor to senior managers with several of the world's top banks, financial service firms,

personal computer and government agencies. In 1995, Information Week named him one of the top 10 Canadians in the United States.

Mr. Keen is the author of *Shaping the Future: Business Design through Information Technology, Computing in Time Using Telecommunication for Competitive Advantage and Construction of Decision Support Systems: An Organizational Perspective*. He has also published numerous studies in business publications and scholarly journals, including *Harvard Business Review*, *Sloan Management Review*, *MIT Quarterly Review*, *Communications Management Review* and *Business Communication Review*.

Mr. Keen's current research which focuses on the business design through information technology is the subject of his new book. He has designed and sponsored several major ICT research studies and conferences, including "Building the IS Organization of Tomorrow," "Measuring the Business Value of IT," "Redefining the Organization through IT" and "How Crisis Can Shape Thought IT."

From online books to the future of the information highway, TeleCon'96 offers something for everyone.

For information on TeleCon'96 — in Search of the Killer App, please contact the ICIT at (416) 865-9999, or fax your request to (416) 865-0859.

# People

Edited by  
BARBARA WACKEN



Neil (top), Savon, virtual dancer

## Stepping into the future of dance

It's just an hour-long work involving nearly two performers, but *Pilobolus* is being hailed as the latest best work in dance. Through the magic of holography, Montreal dancers Pierre-Paul Savon and Jeff Hall are able to enter a virtual realm in which they appear to dance with doubles of themselves. "This is the future of live performance, to integrate what is happening in real media and virtual reality," says Savon, 41. But Hall, 38, notes that *Pilobolus*—which recently earned an enthusiastically received Toronto run and travels to Alberta and then back to Montreal in the next two months—is about human expression and not technological device. "Technique has its and not of being cold, of not being able to touch people, so we set out to knock down that metaphor."

## Kennedy's super secret

In the 1960s, the British journalist Celia Doolittle, a wealthy wife of an off the south coast of Georgia, to keep the Spanish away from the coastal waters. On Sept. 21, the island was again served as a barrier—this time against propaganda. In a remarkable feat of subterfuge, John F. Kennedy Jr., 36, whom the media had frequently dubbed "the most eligible bachelor in America," married his lover in girlfriend of the past, New York City publicist Carolyn Bessette, 25, in private. No helicopters circled overhead, no paparazzi flashed cameras in their faces. Instead, the ceremony took place in a simple wooden church with only a few dozen friends and family in attendance. The secrecy of the event was out of the ordinary for Kennedy, who has been in the public eye since his birth soon after his parents, President John F. Kennedy and Jacqueline Kennedy, took up residence



Kennedy, Bessette: her how prying eyes and paparazzi

in the White House. But the veil of secrecy surrounding the wedding did not hold, some members of the tabloid media tracked the couple down in Iceland, where they had gone for part of their honeymoon.

## A bold explorer of Montreal's quaking soul

For the past two years, Joe Fiorito has explored Montreal's overlooked corners and unknown corners for a weekly column in the *Gazette*. His gracefully written pieces, some of which are included in the recent collection *Things on the Mind*, were 16-year-old Fiorito's *National Post* newspaper. In May, *The Thunder* by, Ontario writer, who moved to Montreal four years ago, has called to everyone from taxi-cab operators to retired firefighters while probing the soul of his adopted city. The new phenomenon that said he was getting



Fiorito: it's shocking

from English-French tensions. Fiorito also the recent edition of provincial telecommunication is being done on the lesson St. Laurent Boulevard cell, Schwartz's, because its signs were in equal parts English and French. "When you're a kid," he notes, "your dad is always saying, 'Don't bring that to the table.' Schwartz's is a way the symbolic table of Montreal—its on the dividing line between French and English, and everybody sits there together. The potent aspect of the debate has been played out on the table at Schwartz's, which is shocking."

## Entertainment in any language

When children's entertainer Charlotte Diamond of Richmond, B.C., visited Costa Rica in September, she went wearing two hats—as a singer and as a special representative for UNICEF Canada. This first lady of the Central American country, Josefa Alvarez de Figueroa, named Diamond after her own 1994 Spanish lan-

guage album, *Soyana Pizzo (I am a Pizzo)*. While there, Diamond, a language teacher turned entertainer, performed these concerts, including one for children attending UNICEF-sponsored schools high in the Cordillera mountains. Diamond said she was overwhelmed by the warm reception she received. "These children are wonderful—there is so much love there," she added. "Living with them was one of the most moving experiences of my life."



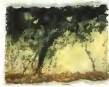


Art

# Sublime meteorology

BY SHAWN DOYLE DRIEDGER

The electric motor screams and whines as Paterson Ewen, wearing knee pads and ear protectors, reaches up to start a new painting. "Take an athlete, you need to be keyed up," explains the London, Ont., artist, in a video demonstrating his distinctive technique. The constant high-school football hero even both intends to propel the heavy power tool across the work, scoring at surface with lines, grooves and grapples that he may or may not decide with color. For more than two decades, the Montreal-born Ewen has used routers and chisels to transform hardware-store finds into wondrous, lyrical works of art—capturing gusts of wind, driving rain and alternating moons with plywood, sheet metal and linoleum. "I was tired of canvas and brushes," the 40-something Ewen, 71, told *Maclean's*, explaining how an idea



**Toronto Art:** Ewen with *Northern Lights (Apt)*, gouged plywood and a life scarred with trouble

adapted from Japanese woodblock prints led to his signature style. "I thought I'd paint a single plywood wall, design it out like a woodcut and take prints of it. I realized when I was doing this that I was not going to take a print—this was the work."

It was a breakthrough as dramatic as the lightning that streaks across Ewen's landscapes. It led the artist beyond the more conventional figurative and abstract styles that he had pursued during his "crucial period" in Montreal in the 1970s and '80s—a time when he colluded with such prominent Quebec artists as Jean Paul Rappele and Paul-André Berthiaume. The plywood works—powerful, semi-abstract interpretations of stars, rain, lightning and other natural phenomena—have also had an impact on contemporary Canadian art. "The sheer physical scale and power of the works," contends Matthew Teitelbaum, chief curator at the Art Gallery of Ontario, "rekindled interest in painting and in landscape as a subject matter."

Paterson Ewen: Earthly Weathers/Heavenly Skies, a major sur-

vey of Ewen's work now on view at the Art Gallery of Ontario in Toronto (until Jan. 12), confirms his status as one of the country's leading painters. The exhibit—which travels to the Montreal Museum of Contemporary Art next May—includes more than 50 paintings, watercolors and drawings spanning five decades of Ewen's career. The magnificent large-scale plywood works—particularly *Northern Lights* (1978) and the luncheon-size *At Sea by Gulls* (1979)—stand five stories high. "These great metaphors of the human," writes author Michael Ondaatje in his foreword to *Paterson Ewen*, a fascinating book about Ewen's life and works published to coincide with the exhibit, "seem to have been torn out of the heart and earth made with great difficulty as something to hold on to."

Like the surfaces of his gouged plywood paintings, Ewen's life has been marked and scarred with troubles that began in early childhood. "My father was alcoholic and the house was not happy," says Ewen, who has experienced frequent hours of depression and anxiety, aggravated by

radical groups of artists led by Berthiaume. The avant-garde painter encouraged Ewen and invited the young art student to participate in one of the Automatists' exhibits. So did the Montreal Museum—a double coincidence that later led to an encounter with "Berthiaume" Ewen halfway through art school, with the result that he lost his Veterans Affairs salary. By that time, Ewen and Sullivan had married and were expecting the first of their four sons, so the promising young artist had to take on a series of full-time jobs, from carpet salesman to personal work. For more than 15 years, Ewen could paint only at night. "I would start after supper," he says, "and I would paint until two or three in the morning."

In 1968, Ewen suffered a nervous breakdown after his marriage ended and he lost his job. When he experienced a second breakdown a short time later while staying with his sister in Kitchener, Ont., a local psychiatrist admitted him to a hospital in nearby London and treated him for depression. "They gave me shock therapy and it worked," says Ewen. Broken and alone, Ewen started over in London. Within weeks, he became friends with artists Greg Curnie, Jack Chertok, David Roberts and other members of the city's lively art community. Teaching jobs at a high school and, later, at the University of Western Ontario, provided the income and time he needed to paint. Encouraged by the London artists' use of nontraditional materials, Ewen experimented with plywood and incorporated wire, metal and chain-link fencing into his works.

But Ewen continued to suffer from depression exacerbated by drinking. And alcohol could make him belligerent. "I didn't look for a fight," he says, "but if somebody was looking for me I was quite willing to oblige." Prominent American artist Eric Fischl, who met Ewen in the mid-1970s when both were teaching at the Nova Scotia College of Art and Design in Halifax, says that one of the saddest stories he has ever heard was when Ewen lost all of his presents after he got into a bar fight on his way home from Christmas shopping. "The first day he showed up at the college, I woke up at 4 a.m. with him hanging on my door—he had lost his keys and he was



**Comic Generalism:** stars, rain, lightning, galaxies and other phenomena

has even alcoholism. "I used to drink too much," he admits. Growing up in Montreal West, the son of a system, middle-class Scottish immigrant with no interest in art, Ewen fantasized about becoming an artist. "But I thought I would never be one," he says. "Because to be an artist you had to have God-given talent—which meant that when you drew a cow it didn't look like a horse." For a long time, Ewen ignored his artistic ambitions. Following a brief stint in the army at the end of the Second World War, he enrolled at McGill University. After later, he finally followed his dream and transferred to the School of Art and Design at the Montreal Museum of Fine Arts where he studied under renowned landscape and figure painter Goodridge Roberts and Greg of seven married artists. "It was a time he calls 'the happiest years of my life.'"

While in art school, Ewen met Françoise Sullivan, a French-Canadian dancer and sculptor who was a member of the Automatists, a

## Magnificence abounds in a major survey of Paterson Ewen's work

blasted. "But the New York artist says that 'there was a certain romance' about his colleague, who lived 'the myth of the semi-legendary bohemian artist,' and provided 'passions which are spiritual and playful and filled with a childlike wonder—it's a wonderful feat of the creative imagination to see past the immediate pain of your life.'"

Ewen and his art—appear to have overcome the chaos of the past. Last year, he married a former student and longtime friend, Mary Harfield, a 40-year-old architect who manages his career. The couple recently moved into a new house on the outskirts of London, a dwelling spacious enough to accommodate a studio where Ewen continues to paint almost every day, although he now has occasional help with the heavy physical work of routing plywood. Last week, an exhibit of new works opened at Toronto's Olga Korper Gallery. Says Ewen: "Goodridge Roberts, my teacher and friend, once said, 'It's not difficult to be one of Canada's best artists and to be recognized for it because everybody else quits.' That's true—it takes years and years before the public pays attention." Then, after looking around the gallery at a lifetime of paintings assembled for Earthly Weathers/Heavenly Skies—their husband's new book about him sitting in a nearby table—the gentle, bespectacled artist bowed over and whispered, "Isn't this really wonderful?" □





## Sex in the fast lane

**CRASH**  
Directed by David Cronenberg

NO Canadian movie has ever generated so much controversy. At the Cannes International Film Festival last May, it shocked the world's most jaded filmgoers and generated a raging debate in a jury that awarded it a special prize for "audacity, originality and daring." Now in American distribution, New Line Pictures has delayed its U.S. opening until next year amid reports that Ted Turner, who owns New Line, was so distressed by the film that he balked at releasing it. Why all the fuss? It isn't just the sex, although *Crash* does contain more sex scenes than any mainstream movie that comes to mind. And it's not just the violence. Director David Cronenberg has made other films that are more viscerally harrowing. No, what is most controversial about *Crash*, upsetting even people who have not seen it, is the risk behind the movie—that someone could be sexually aroused by a car wreck.

*Crash* is about characters who are turned on by watching crashes, re-enacting them, hovering around accident scenes, admiring scars—and dissolving into each other no less. The premise sounds like perverse fun for weirdos. And in dramatic terms, it requires a heady suspension of disbelief. But metaphorically, it serves as a fascinating vehicle for the man that drives all Cronenberg's work—blow-up of human sexuality as an assertion in progress, mediated by scientific accident. The director has often portrayed technology in anthropomorphic terms. And of all machines, the automobile

is the most sexualized. It is the site we wear, a second skin. *Crash* is about sex between man and machine, flesh and metal. Its characters are driven by a pathological desire to collide—to crack the emotional surface of a hollow exterior.

Based on the 1973 novel by British author J. G. Ballard, the movie centres on James (James Spader) and his wife, Catherine (Deborah Kara Unger), who had their riding love life with the open pursuit of extramarital affairs. After James is injured in a car crash with a doctor named Helen (Giselle Buzette), the progress of medicine takes a dangerous turn. Helen introduces James to a cabdriver group of car-crash aficionados led by a scarred scientist named Vaughan (Elias Koteas), who tells her his obsession, and the film's theme, is "something we are all intimately involved in—the reshaping of the human body by modern technology." Serving as a den mother in the crash clubhouse is Gabrielle (Rosanna Arquette), a disabled accident victim in leg-brace bandages.

The narrative unfolds as a stream of bumper-to-bumper sex scenes, at least a dozen of them. They range from a tryst in a parking garage to a buxom bust of rough sex in a car wash. The eroticism is cold, clinical and distanced. And as the movie runs through every possible coupling combination among the characters, the repetition is numbing.

And throughout these scenes, and the rest of the film, Cronenberg's camera lingers a pair

Major (left), Spider (center) of sadness and desire

ence spell. Although much of the film is shot outdoors on and around Toronto's city streets, it has an interior feel, as if the actors were enclosed in the director's mind. His lens creeps around his characters with a hushed sense of surveillance. Yet beneath the film's jolting, surface, a visceral horror is at work. The director stages a re-enactment of the car crash that killed James Dean, as a playful parody of the chicken-fencing episode in *Robert Walcott's* *Crash*. There is a cruel scene of Helen and Gabrielle watching crash-test dummy videos as a kind of pornography. And double entendres lurk beneath every line of dialogue. But the jokes are not set up. They slide quietly by, and are gone before there is time to laugh.

The performances, meanwhile, all seem geared to the synchronicity subtlety of Cronenberg's direction. Spider's character offers the closest thing there is to a protagonist. But as he cruises through the film—beyond, bemused and morosely oblivious—empathy just rolls off his back. As Vaughan, Koteas plays the (total) institutional leader, a vulgar boogymon with local currency. And the actor conveys that obsession with compelling intimacy.

The women are more clipped. It is hard to fathom what motivates them. Helen's character, in fact, seems no more than a car-ravine device—how informed from the novel. As it turns out, the Canadian actors—Koteas and Unger—steal the movie from the Hollywood stars. Unger is sensual, the minked, and menacing. She uses the barest of words and gestures to convey insatiable depths of sadness and desire.

*Crash* is existentially composed but emotionally imperceptive. It works on the mind and the eye, leaving the viewer shocked, haunted and bewildered—wondering what an earth to feel, which is perhaps the whole point of the exercise. For all the controversy surrounding it, *Crash* is, in the end, a cold ride, an archly caustical excursion in to sex, death and sickness. No wonder it was a hit in France. It defines the thrash-up, thrash-down school of criticism. It is brilliant and severely beautiful. Recommended if, however, it is a dodgy proposition. Viewer discretion advised.

BRIAN D. JOHNSON

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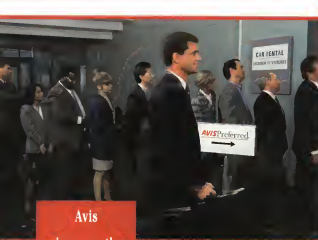
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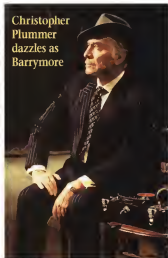
## Theatre

# Two lions in winter

Even at 66, Christopher Plummer still has a touch of mid-century. It is there in the wide, marble mouth, with its flicker of irony—and in the glancing mischief of the eyes in the looser face. Visiting Toronto to promote his appearance in *Barrymore*, a drama by American playwright William Luce that received its world premiere at Ontario's Stratford Festival on Sept. 20 (it runs until Oct. 20), Plummer is slipping on ice in the deserted bar at his home—and reminiscing about the good old days when he was known as the bad boy of Canadian theatre. The year was 1960, and Plummer, then 31, was performing in Shakespeare's *King John* at Stratford. Infatuated by a patron in the front row who was reading a text of the play—rather than following the action onstage—Plummer sized up over with his sword and flicked the text out of the man's hand. "By sheer accident, it worked out brilliant," Plummer recalls. "The book flew up into the air and did little sparks in the light. The audience broke into an ovation."

Later, Plummer discovered that the man, who fled the theatre soon afterward, was a recently released convict with a deep love of Shakespeare. "I felt terrible," Plummer says. "I felt I'd crushed the man's whole spirit. But you know, John Barrymore had a very similar experience." And the actor launches into a parallel tale about the great American performer he portrays in Luce's drama, who once grew so incensed with a cost coach on the audience that he threw a few golfballs at him. Plummer readily acknowledges that the similarities between himself and Barrymore—who died in 1942 at 63—are too startling to overlook. Luce's play catches the hedonistic, broken-down star in the last year of a career that embraced both great classical stage roles and plenty of Hollywood schlock. The Canadian-born Plummer has

## Christopher Plummer dazzles as Barrymore



Plummer readily acknowledging the parallels between their lives

assumed a similar stage, often cited as one of the most gifted actors of his generation, he has won over for his portrayal with such prestigious troupes as Britain's Royal Shakespeare Company. And he has appeared in a long line of films, not all of them good. From 1963's *The Sound of Music* ("The Sound of Music," as he once dubbed the sentimental musical) to character roles in the recent *Melrose Place* and *Twelve Monkeys*. Then there is the matter of marriages. Barrymore had four wives; Plummer has had three, including American actor Tatum O'Neal—the mother of Plummer's daughter, actor Amanda Plummer—and reporter Patricia Lewis. He is currently married to

Elaine Taylor, an actor he met during the filming of *Look up Your Daughter* in 1968. Today, they and their four dogs live on a country property in Concordia.

Plummer credits Taylor for helping him moderate the hard living that marked the early decades of his career. Plummer did his first acting in Montreal, where he grew up, and by his mid-50s had become a celebrated young star on Broadway, appearing in 1955 with Julie Harris in *Jessie*, *Amadeus*'s *The Devil*. But his reputation as a carouser ("I was never drunk on a show," Plummer declared at first presented him from being hired at Stratford. Although already a success elsewhere, he failed his first two auditions for the festival—because, he claims, a Montreal radio producer he had once worked for badmouthed him to Stratford's artistic director Tyrone Guthrie. "The producer was convinced I was having an affair with his mistress," Plummer says, shaking his head. "He was wrong. I was having affairs with everybody else's mistress, but not him.") Plummer finally appeared at Stratford in 1956, electrifying audiences in the title role of Shakespeare's *Henry V*. In his six seasons at the festival, he and actors such as Zoe Caldwell—who played Cleopatra to his Antony in 1961—brought a headstrong energy to performances that are still talked about. "There was sex on that stage then," Plummer says. "There isn't any more." Plummer counts his years at Stratford as among the best in his life. He speaks with great measured affection for Michael Langham, whose demanding direction

Plummer says made actual acquaintance of him. He also made several lifelong friends at the festival, as well as ruffling a few feathers. Veterans Stratford actor Douglas Campbell once remarked that Plummer "was a bore" to work with. He never seemed become part of the company. Confronted with Campbell's remark, Plummer seems genuinely taken aback. "Well, Douglas always was a very generous man," he says with heavy sigh. A moment later, he adds "Sure, I was pretty selfish sometimes. But I think you have to be ruthless to take the stage. If somebody gets in the way, you have to do something about it." In Barrymore, Plummer's first appearance





at the festival in nearly 20 years, he has the spotlight all to himself. It is 1942, and Plummer, as Barrymore, is stumbling about on the stage of an empty New York theatre. Barrymore is obviously quite drunk and—fueled by a troley of bottles moored within easy reach—getting steadily drunker. For the next hour and 15 minutes, the old actor tells tales, spouts out memories of his life and traces glory with his offstage preceptor, Frank (Michael Mastr). The one thing he does not do, at least not very well, is run through lines for the title role in *Shakespeare's* Richard III. At the heart of end of a long career, Barrymore is trying to revive his fortune with a part he had once excelled at, but his hands shake, and his memory is a sieve. It soon becomes obvious that he is not going to make it.

Plummer takes possession of this role as masterfully as any in his career. He skillfully shifts his way through fragments of madwifery, and delivers the show's endless gags with a master's timing. "Marriage cost more than marriage," he waddles to the audience at one point, before bringing down the house with the kicker, "but they're worth it." He also generates real pathos in the play's few serious moments, such as when Barrymore longs for the one true friend of his life, playwright Ned Sheldon, who has been persecuted for arthritis.

But unfortunately Lucie's script attenuates a lot more truth than bar. The writer never penetrates very far into the darker side of Barrymore's life, and the old actor ultimately seems more a drowsy jokester—a stand-up comic who runs on past his time—than a tragic figure with anything very enlightening to say about life or art. As a vehicle for Plummer's enormous talents, the play falls short—except in those brief passages where the actor gets to quote some classic authors, Plummer's reputation as Franco Thompson's poem "The Sound of Silence" is extremely powerful.

Ultimately, the companionship between Plummer and Barrymore breaks down at such moments, for it is evident that the Canadian actor has retained his abilities as the warden Barrymore did not. Yet as Plummer confronts the grad of this visitor's role of Barrymore—the play will visit several U.S. cities before opening on Broadway next March—he evokes the old despair. "As Barrymore says in the play, 'Here I am, with the world at war, and I'm trying to revive my poetic career. What a mess!'"

Plummer takes another up of cold coffee before adding, with a chuckle, "There are times I find neither the same."

JOHN HENBROSE

## The plague years

**ANGELS IN AMERICA, PART ONE: MILLENNIUM APPROACHES**  
By Tony Kushner  
Directed by Bob Fosse

In the United States, it won a Pulitzer Prize in 1993. In Calgary, some civic officials and media voices denounced it as pornographic trash. Now, it is Toronto's turn to view Tony Kushner's controversial 1991 drama, *Angels in America, Part One*, which opened last week in a downtown, and at

times electrifying production by The Canadian Stage Company. Subtitled *Millennium Approaches*, the first instalment of Kushner's two-part epic—running in Toronto until next March—focuses on a number of gay men, their friends and their families in the New York City of the mid-1980s. Ronald and Nancy Reagan are in the White House, and as far as their supporters are concerned, the sun is shining again on America. But few of the characters in Kushner's drama are feeling very warm. AIDS is rampant, there are beggars in the streets, the cocaine layer is booming, and a spirit of pessimism reigns in the land.

*Angels in America* sets out to expose the underlying causes of the country's malaise. Does it flow simply from the

politics of the present? Or is there something deeper at work, a systemic flaw in the great American melting pot ("a red hot pot that doesn't melt anything," as one character remarks)? The play does not come up with any final answers, but it explores the issues with enough energy and ingenuity to create some memorable scenes. It also portrays the dominant mood in the United States as one of despair. Nearly everyone in *Millennium Approaches* is driven by fear, which accounts for the drama's often horrifying tone. Prior Walter (Steve Durrell) is terrified of the AIDS creeping through his body. His partner, Louis Ironson (Max Pech-Gold), is afraid of Prior's pain and spreading sores. Meanwhile, the play's other couple, Joe and Harper Pitt, are facing equally beleaguering. Harper (Goran Visnjic) spends

most of her time locked in their apartment, peeping through a hole in the wall to forget her problems. Her husband is rivalling David Strathairn, a devout Mormon, is terrified of his own homosexuality.

Interestingly, the one main character who seems to be fearless is the silent of the piece, Roy Cohn (Tom Wood), in a slightly belated performance. Closely based on the real-life Cohn—the corrupt New York influence broker and former aide to Joseph McCarthy in his Communist witch-hunts—this brutally single-minded man is Kushner's take on naked political power. Cohn brags that he can get the president on the phone in five minutes. He even brags about his role in putting suspected Communist spy Ethel Rosenberg to death in 1953 (he claims to have secretly persuaded the judge to give her the death sentence). He is also extremely foul-mouthed, playing expletives on the F-word like a virtuoso. Cohn was one of the main reasons that some Calgary columnists denounced the play as obscene and called on the government to cut off funds to its producers, Alberta Theatre Projects (which version opened on Sept. 15 and runs till Oct. 12). But Cohn is so joyfully and unapologetically aggressive—and so scintillatingly funny—that he grows almost lovable.

Kushner mediates his bleak vision with three things: the tenderness of love, humor and an angel. The last two are the more successful elements, as the play's lovers and friends comfort each other with that uniquely gay mixture of affection and playful sarcasm. As for the angel (Linda Phylakakos) who speaks to Prior in his agony, she is a device of such shameless sentimentality that her presence seriously undermines the play's claims to tough-mindedness. *Angels in America* has wings enough; the angel should have stayed on a good old card.

*Angels in America, Part One* opens in *Heater* on Feb. 27. Part Two, *Perestroika*, opens in *Edgewater* on Oct. 26 and in *Toronto* on Nov. 6.



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## Television

### Born under a bad sign

**DANGEROUS  
OFFENDER**  
(CBC, Oct. 6, 9 p.m.)

The film agents with a portrait of an unruly 16-year-old, as Marlene Moore (Brooke Johnson) waves a stark knife at a policeman, her face twisted into a threatening snarl. But as *Dangerous Offender* traces the life of the first Canadian woman to earn that legal designation (whereby a repeat offender can be incarcerated indefinitely), a different image of Moore emerges, one that flies in the face of oversensational, get-tough notions about crime and punishment. Directed by Holly Dale

and written by Janis Cole—who encountered Moore while researching *P.W.*, their acclaimed 1981 documentary on the Prison for Women in Kingston, Ont.—*Dangerous Offender* is a tale superbly told, but one that is well worth telling.

Moore's, indeed, a disturbing story. One of 15 children born to a working-class family in rural Ontario, she spent the revolving doors of the Canadian penal system at age 13, when her mother (played by veteran TV actor Joyce Eastwood) placed the uncontrollable child in reform school. From there, Moore went onto a life of petty crime, going in and out of jail—and becoming a hardened denizen of prison culture. But when, in 1984, she threatened a police officer, Crown prosecutors in Ontario applied to have Moore, then 37, declared a dangerous offender—just based on what she had done, but neither on the likelihood that she would prove herself a danger to society. In Moore's case, the irony of that application was clear: she had already spent more of her life behind bars than she had in society.

As *Dangerous Offender* creates Moore's legal battle against the Crown's application, the movie explores the reasons behind her sometimes violent, unpredictable behavior. Under the prodding of her ambitious lawyer (Dora Beltrami), and urged out of her shell of



Johnson: sad portrayal of a wasted life

toughness by a sympathetic prison guard (Patrick Goggin), she reveals the suffering and loneliness of her life. As a child, she was sexually and severely beaten by her father—also for writing the bed, a behavioural problem that continued into adulthood. As a teenager, she was brutally raped by whom, the movie does not make clear. During her adult life, Moore was subject to physical and mental torture at the hands of throw-away-the-key prison officials. After repeated incarcerations in solitary confinement—"the duggin,"

as Moore calls it—she was left horribly scarred, both mentally and physically. Her body had become a lit network of old cuts and gashes, the result of the retribution that she prodded to "let the pain out."

As Moore, Johnson manages well to portray a combination of bitchy bravado and vulnerability—part prison tough, part abandoned child. And the supporting actors, especially Goggin, are both competent and engaging. Still, *Dangerous Offender* sometimes goes too far over the top, as director Dale attempts to winch every last drop of emotion out of every scene. And the movie dwells on graphic shots of Moore's self-mutilation. As affecting and credible as those scenes may be, they also make *Dangerous Offender* very difficult to watch—it is not a movie for the squeamish.

Despite those shortcomings, Dale and screenwriter Cole have created a harrowing portrayal of a wasted life—and a warning in detriment of a justice system in which the notion of rehabilitation has become a quaint anachronism. Perhaps, in the end, as we could have used Marlene Moore from her own demands. But as *Dangerous Offender* convincingly argues, someone should have tried harder.

JOE CRIVELLO

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that all smacks of undue leniency. But many aboriginal people do not agree, he notes. Under traditional native law, the relationship between individuals—their utter dependence on one another—is paramount. If someone commits an offence, the underlying reason is that they have become disconnected from the larger community and thus oblivious to the consequences of their actions. As Ross puts it: "Unfortunately, too many people come to the conclusion that they are alone and unconnected, that they don't matter, that they have no role in anything larger than themselves, no significance beyond themselves. If they come to conclusions like this, they live desperate lonely lives and often fall into self-abuse and the abuse of others." For such offenders, the third way goes, the daily humiliation of being forced to confront neighbors who know what they have done is a fate worse than jail—and one that is far more likely to result in their losing their ways. Even the extreme step of banishment, writes Ross, is not so much a punishment as an attempt to show "how essentially small and helpless we are on our own."

The low recidivism rate in communities like Hallow Water suggests to Ross that, by returning to ancient ways, some natives are breaking the cycle of abuse that is otherwise passed from one generation to the next. In fact, he goes further, stating that the epidemic of sexual violence, substance abuse and suicide plaguing many aboriginal communities is the direct result of natives being told, from the time the first foster child arrived, that "all things aboriginal are inferior at best, and dangerous at worst."

There is no doubt by much truth to Ross's argument. Still, at least one nagging question remains: does Ross—who speaks no native languages and admits that he relies on aboriginal friends for many of his insights, truly—paint too rosy a picture of traditional native life? He accepts without comment, for example, a treaty council report that says that before colonization "respect for each other and a universal appreciation for the power of the creator kept everyone walking down a path that encompassed honesty, truths, respect for everything in your immediate ecosystem, whether it was your fellow man or beast or plant life." In other words, as told before the Fall—an image that seems to ignore historical evidence that native people, at the time of first contact with Europeans, sometimes attacked each other with the sort of cruelty that crosses all racial boundaries.

That flaw aside, Ross provides some compelling reasons for giving aboriginal communities a much larger role in administering justice among their own people. They could scarcely do worse than the status quo.

BRIAN BURGESS

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# Allan Fotheringham

## Where have all the leaders gone anyway?

There is a vacuum at the top. There's a hole in the same layer. The public senses it, but doesn't know what to do about it. It's called leadership. There's no more.

There is a most strange situation in the United States, the only superpower left in the universe. The Americans seem poised to re-elect as president on Nov. 5 a man they don't really respect, respect he's a bit of a disaster and know he will do his grapes every which way to win.

No one tries to argue any more that Bill Clinton has not had a rather hard record with the opposite sex—while married. Jay Leno fills the nation that Clinton is so far ahead in the polls and confident of victory "that he's ready to give up."

This is a remarkable circumstance, the late-eight comedians openly being contemptuous of the President—there is his position or position to a joke—and in one object. Because his opponent, at age 73, seems such an admirable alternative, the voters have shrugged and accepted Clinton's charm and his selfishness.

They don't respect him, but they can't understand why the Republicans—who were on a roll—couldn't come up with someone more acceptable than poor plodding Bob Dole.

There's a strange situation in Britain. The dull, grey John Major is Dead Man Walking, doomed for a humiliating defeat, dogged even by the "Cage" Thatcher who once overruled him and chased him from the Tories. Tony Blair, the future prime minister has even out-Clintoned Clinton, buying the very word "swindler," disowning himself from the names who claim his party and doing everything he can to oblige "Labour" as his label.

There's a strange situation in Canada. There's a very apparent vacuum at the top. Jean Chrétien has clearly run out of gas. The new dawn of the Quebec referendum has opened all the good of him.

He lost entered the House of Commons when he was 29. He is now 62. That's too long. Too long. He is in and out of Quebec and survives in Ottawa only because the present alternatives also lack leadership at the top, being more regional parties—while the Tories and the NDP have for the moment disappeared from view.



Leadership? Person Manning is being snubbed even by his own fellow backbenchers who keep asking hotel bills and towel rentals. He does a well-deserved holiday in Hawaii. And so on as has ever been of the leader of the Bloc Québécois.

It is time, now, for a new output. In the severe belief to any sense of honour, I offered in this space to send check radius to any Canadian who knew the name of the Bloc leader in the Commons. Five loyal readers have claimed the prize. I was trying to be away. I promise never to try again. It proves there are now live Canadians—out of 30 million—who know who Michel Gauthier is.

Leadership? The public looks around for the obvious successor to the man who has run out of gas. There are none. If the PM, God forbid, were run over by a bus next week, Paul Martin would obviously bid for the job he has wanted for so long. But he is from Quebec and the rest of Canada is fed up with having our prime ministers—for 27 of the past 36 years—coming from Quebec. Martin is a very smart, energetic guy but he lacks a common touch. As the senior Doug Young, dean of the Ottawa Press Gallery, notes, when Martin takes his eyes do not.

For a time up until about a year ago, say Jay Black seemed the answer to the Liberal dream for a national successor. Bright, articulate, attractive, a lawyer from Toronto, he could have represented the vital Ontario base, where the Gerts was 86 of the 96 seats.

But the fight over the central region has not in Western Canada and the so-called fence over Alberta/Manitoba will inevitably bring a humiliating government apology and Black will likely never recover from that.

What else? Stan Cripps is now dead as a politician. She is actually scared like a cartoonist. Lloyd Axworthy? It's the old prime policy line—how come brother Tim Axworthy got all the brains and Lloyd got the voice? Considering the democracy prospects in a deputy cabinet, the attention has gone to the provinces. Frank McKenna of New Brunswick has been positioning himself over the past decade for a run at the big job in Ottawa. But now the spotlight has turned to Jean-Pierre Bérubé on the Rock, having divided all of 30 seats and now turning his professional publicity skills on those leaders in Quebec Quebec, a senatorial winner in Red Deer and Nanaimo.

Also, Canadian political history indicates provincial premiers attempting to move to the PM's chair do not fare well. George Drew couldn't do it. Bob Stanfield was defeated there straight through while trying to do it. John Bracken didn't make it with him. Macdonald and Dief-Baker floundered at a leadership bid.

The record shows that shrewd heads looking outside the system and then striking at the right moment—Macdonald, King, Lloyd, Mulroney—are more successful at the arcane art of winning power over more experienced (i.e. less) permanent residents of Ottawa.

The solution is the problem? Quite simple: Gen. Lewis Mackenzie. He could win while heading over the Victoria Party.



## HOW THE GAME OF ICE HOCKEY WAS INTRODUCED TO THE COUNTRY OF SOUTH AFRICA.



Calgary International Airport, 3:00 p.m.

The sage begins

Sixteen kids, sixteen white jerseys and sixteen tiny hearts set on winning their international hockey tournament at Capetown.

Little did I know the stiffest competition would be Murphy's Law.

Capetown, 6:00 a.m.

"Our luggage is delayed!" I asked. "It's arriving tomorrow via—South Africa," the airport clerk explained politely. "Tonight's game isn't in South Africa," I snarled through clenched with.

Less Sporting Goods, 1:00 p.m.

Nobody to say, the dispatcher was pleasantly surprised to see an entire hockey team being outfitted.

With limited new equipment. But he was dead calm compared with my little guys who riled through the store gear like it was hot.

Days all around. As I watched them I thought my lucky stars for Visa Gold card's purchasing power. I never thought I'd have to use it, but then again I never thought I'd need half the added ben-

efits that come with my Visa Gold card. I guess the best defense

against Murphy's Law is to use it as often as you can. That said, just as I was breathing a sigh of relief, young Jimmy, or Rachel as he prefers, tugged on my coat tail.



Dr. John's Office, 2:00 p.m.

It seemed that Rachel's asthma inhaler refill was an awfully weird as his hockey bag—check, it was, was somewhere over Algeria at this point. I called up the Visa Gold online and they gave me a list of English speaking doctors. Rachel got his inhaler re-filled and we headed for the rink.

Capetown Sports Arena, 6:00 p.m.

As the kids took to the ice and I renewed the few missing pieces from their bellies, I celebrated our first victory—we had beaten an old Murphy. And the first star of the game, in promise mode, was definitely my Visa Gold card. But then again, I guess that's why they say "it's the only card you need."



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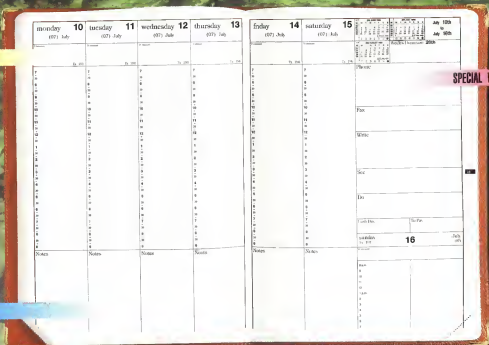


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